



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

### Usage guidelines

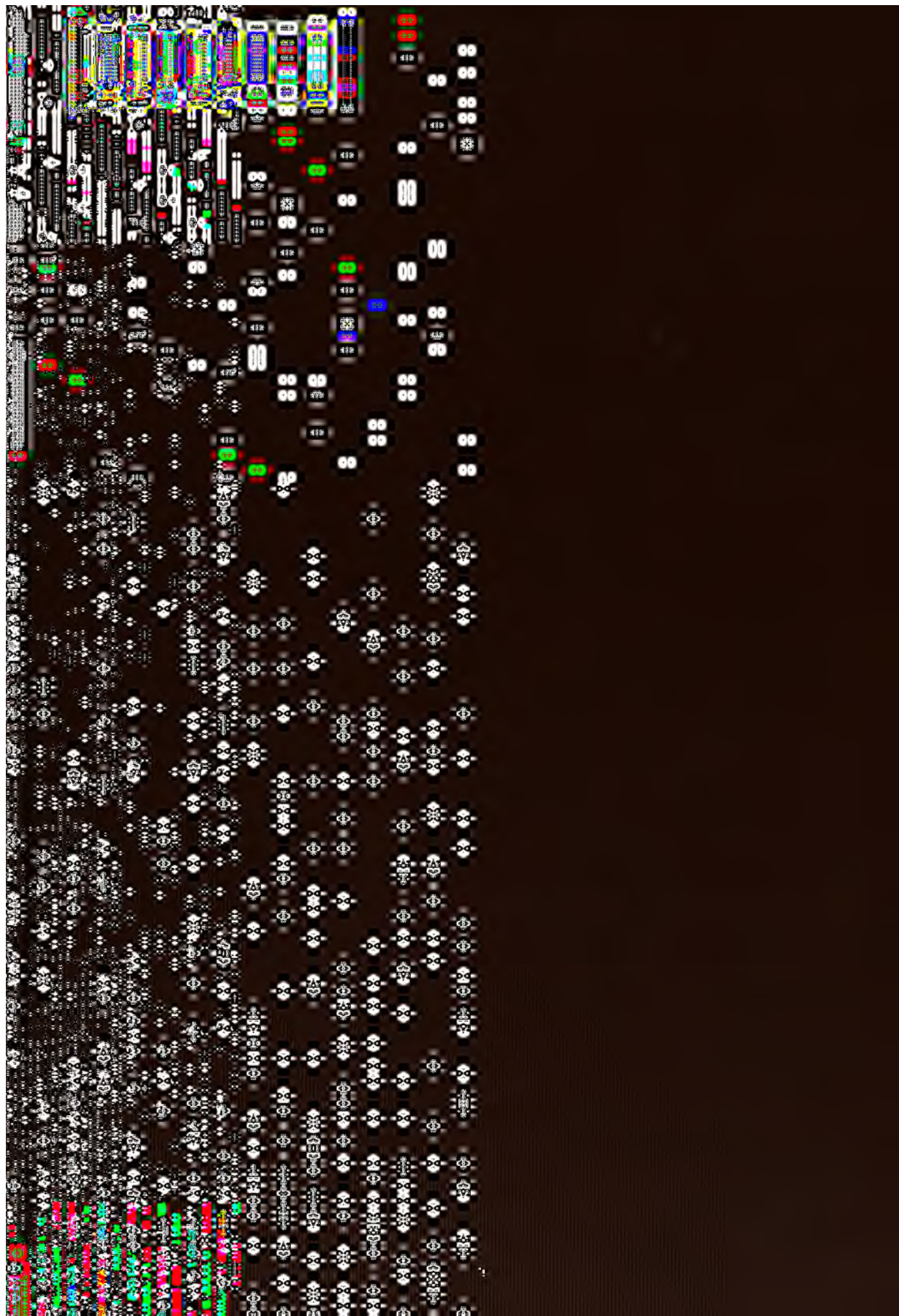
Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

### About Google Book Search

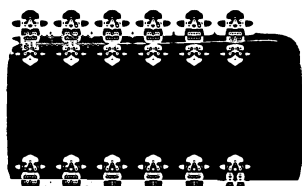
Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>





NATIONAL LIBRARY

1957-1958







Int. Law



---

---

THE FOLLY OF BUILDING  
TEMPLES OF PEACE WITH  
UNTEMPERED MORTAR:

---

---

Co  
#

THE NECESSITY OF BUILDING  
TEMPLES OF PEACE WITH TEM-  
PERED MORTAR: ♦ ♦ ♦ ♦ ♦

---

---

BY JOHN BIGELOW

---

---

o

---

---

B. W. HUEBSCH - NEW YORK 1910



NOV 12 1926

**T**herefore thus saith the Lord God: Because ye have spoken vanity, and seen lies, therefore, behold, I am against you, saith the Lord God. And mine hand shall be against the prophets that see vanity, and that divine lies: they shall not be in the council of my people. . . . Because, even because they have seduced my people, saying, Peace; and there is no peace; and when one buildeth up a wall, behold, they daub it with untempered mortar: say unto them which daub it with untempered mortar, that it shall fall. . . . I will even rend it with a stormy wind in my fury. . . . So will I break down the wall that ye have daubed with untempered mortar, and bring it down to the ground, so that the foundation thereof shall be discovered: and it shall fall, and ye shall be consumed in the midst thereof; and ye shall know that I am the Lord. Thus will I accomplish my fury upon the wall, and upon them that have daubed it with untempered mortar; and I will say unto you, The wall is no more, neither they that daubed it; to wit, the prophets of Israel which prophesy concerning Jerusalem, and which see visions of peace for her, and there is no peace, saith the Lord God.

The Book of the Prophecy  
of Ezekiel. Chapter xiii.



## PART FIRST



# THE FOLLY OF BUILDING TEMPLES OF PEACE WITH UNTEMPERED MORTAR

I HAVE received several invitations of late to associate myself with as many different organizations instituted for the ostensible purpose of "promoting peace among the nations of the earth and for the reconciliation of international differences, a substitute for war." Among the officers of these organizations and their coadjutors are some personal friends and many others whom I greatly respect.

In the following pages I propose to give what I hope will prove an adequate excuse for declining all these invitations, not because I am not but because I am an ardent friend of peace, and because of my conviction that all the plans proposed by these organizations will prove practically abortive.

## I

It is now scarcely a dozen years since Nicholas II of Russia invited all the nations of the world to unite with him in a general reduction of armaments as a prelimi-

nary to a universal peace. As Russia was at that time the most formidable military power in the world, the other great powers took this proposal of the Czar quite seriously. But before the hurrahs which followed his proclamation had subsided, the Czar had locked horns with the Sultan of Turkey and with the Finns without asking any of the other powers to assist him in keeping the peace. Nor, indeed, had the other great powers for many years previously shown the solicitude for peace which their enthusiasm over the Czar's proclamation might have led one to suppose had been slumbering in their bosoms. Not two generations have passed away since England was at war with the Dutch settlers in eastern Africa; or since France was at war with Mexico, to result incontinently in a war which established an empire in Germany and substituted a republican for an imperial government in France; yet in no one of these cases did either of these belligerents—solicitous for peace as all must be presumed to have been from the warm reception they so soon after gave to the Czar's overtures for disarmament—take counsel with any neutral power in the interests of peace, except in some instances asking them to purchase its bonds for the more vigorous prosecution of its wars. Can anything be more chimerical than the dream that any nation either in Europe or America would submit any differences of greater import than such as lawyers commonly submit to a sheriff's jury—not for the proof of damage, but merely for an assessment of the amount of it—to any tribunal, and especially to one to be constituted mainly by foreign states with all of which they have often been at war (and are always beggaring their people with

costly preparations for future wars), even supposing the possibility of getting them ever to agree to form such a tribunal—about which our President, in his note to one of the more recent peace organizations of which he is an officer, admits less doubt than he obviously feels. And besides, to what purpose do we keep a diplomatic force at every court, if international differences can all be settled by argument and on their merits?

If the American people were of a breed of foxes that would accept the suggestion of the lion to make him king of the forest, such a policy might have a living chance of securing the approval of the lion, at least. But our people have not as yet proved to be of that breed of foxes. Of this we have not to look far for the proofs. Since we set up housekeeping for ourselves we have had already two, nay, three wars with England, the country of all others with which peace should most easily be cultivated:

The first because we refused as colonists to be taxed without representation; that resulted in our conversion from a colony into an independent republic.

Our second war with her was because she impressed our seamen into her navy. That resulted in securing to us the freedom of the seas, of which we promptly availed ourselves so successfully that before our Civil War, and under the revenue tariff of 1844, we had a larger ocean commercial tonnage afloat than England or any other nation had ever had. That supremacy we deliberately surrendered for McKinley and Dingley tariffs, which have expelled our flag from every ocean, except when floating at the masthead of ships of war.

The third was contemporaneous with our Civil War,

when England furnished our slaveholding States steamers with which to help them in the extermination of our maritime commerce. It was her collaboration with the confederated insurgents that compelled us as a military measure to enfranchise all of our bondmen—for which we are in so far her debtors—and which later compelled England to pay a round sum for at least a portion of the damage which the piratical ships of her manufacture and equipment had done to us.

Will any one pretend that either of these wars could have been declined by us without national degradation? Nay, is there any one weak-minded enough to suppose the people of the United States would have listened a moment to a proposal to submit either of these issues to any tribunal that the "great powers of the world" would have constituted—no others could have constituted such a tribunal—but every one of which then regarded our republic as the greatest peril to which their respective dynasties were exposed?

In fact, it would be difficult to name any war between nations within historic times to prevent which a proposal to settle their differences, except for an adjustment of the amount of the pecuniary damage sustained from undisputed injuries, would not have been rejected as futile or impertinent, with a single exception. That was the peace concocted at Portsmouth in September, 1905, between Russia and Japan, after one of the bloodiest and most costly wars ever waged, and after each belligerent had become so entirely exhausted as to be physically and financially unable to continue the fight. And what was gained by the treaty of Portsmouth except the release of the Cossacks from watching their enemy in Manchuria

that they might come home to deprive the proletariat of Russia of the hope they were indulging that the war would last long enough to insure an ultimate recognition by the Czar of at least some of the rights of manhood which had been withheld from them? Yet this boasted peace treaty of Portsmouth involved the prompt downfall of the Japanese ministry that assented to it, thus proving it to be a peace most fitly to be compared, so far as producing harmony between the belligerents, to that produced by turning the hose upon a dog-fight. Both have ever since been impoverishing their people by building more vessels of war in an ill-disguised contemplation of the necessity of renewing the fight.

Such is a specimen of the kind of peace which obliterated the lessons in the process of being taught to two of the most despotic governments in the world when our government presumed to interfere with and suspend those lessons which both belligerents were in the way of receiving at the hands of a merciful Providence.

## II

I TRUST the gentlemen who have invited me to become one of their associates will pardon me for asking whether, in plucking the mote out of others' eyes, they are not overlooking the beam in their own. Perhaps they do not realize that ever since our own Civil War there has been a yet more flagrant war raging in our own country, a war annually becoming more menacing and disastrous. It is not a civil war only, but a foreign war as well; a war not against one nation only, but against all commer-



cial nations. It is a domestic as well as a universal foreign war to enforce our preposterous claim to an average half of what any foreign shipper brings to our ports for sale, before permission is given him to land it on our wharves or put it in our markets. It is civil war because it impoverishes the ninety millions of consumers to just the amount that the foreign shipper is compelled to add to the price of what he brings. The machinery by which this unrighteous policy is engineered is called in the law-books, in which it has been clothed with a fictitious appearance of legality, a "tariff upon imports."

It is to this tariff that we owe the war between labor and capital, in which we have more soldiers embattled at the present moment than we ever had in action at any period of our Civil War for the Union, while the cost to the country has already been far greater than the cost of our Civil War to either if not both of its belligerents. That cost, too, is annually increasing.

Our war with foreign nations is proving even more expensive to us, for the tariff compels us to pay:

- (1) The price at which the foreign merchandise is offered us;
- (2) The average 50 per cent. tariff;
- (3) The cost of transporting such merchandise to us in foreign ships instead of our own; and

Finally, the cost of transporting in foreign ships the products with which we pay for all such imports.

Now let me ask whether, instead of projecting a new peace society and staging a new concert of peace orators, it were not better to leave the mote in our neighbor's eye until we have enabled ourselves to see the beam in our own eye; for it is only after removing the beam from one's

own eye that he is ever able to see the mote in a neighbor's eye. No court of equity, human or divine, will listen to an appeal for equity from any one who does not first do equity.

To bring both of these wars, the domestic and foreign, to a peaceful close, and to insure that the lion and the fox lie down together in a peaceful embrace, we have to repeal all our tariff laws, turn our custom-houses into warehouses, and make every harbor on our coasts free to the commerce of all the world.

It is only this war of our own waging that keeps us at odds, not only with each other, but with all other commercial nations. Remove it, and in less than a generation we would have the largest commercial navy in the world, as we had before the Civil War furnished a treacherous pretext to the selfish counsellors of our government to enact what was euphemistically called a "war tariff." It was indeed in its origin nominally a war tariff, but never before so exclusively a war-breeding tariff as it is to-day. Abolish it, and we would absorb the best commerce of the whole world and, like England, build *Dreadnoughts* to sell to nations that blindly discourage commerce as we wantonly persist in doing.

Of course the million who profit by this tariff bonus, disguised under the name of protection, live extravagantly, spend profusely, waste wickedly of the country's wealth, thereby creating delusive standards of domestic life, all of which contribute to increase the cost of living far more and faster than the tariff increases the wages of ninety millions of the proletariat, who do most of the work that earns that wealth. Hence the chronic discontent of the latter. If they strike successfully for an ad-

vance of wages to-day, the result is no guaranty that in a few weeks at most they will not find their increased wages fall as far short of their necessities as before, and a new strike follows. There is not a single railway or industrial corporation in the country that is sure for a month at a time that it will not be compelled to submit to new exactions from its workmen which threaten ruin whether granted or denied.

During the last fiscal year we have imported precious gems to the value of \$45,000,000, a million and a half more in amount than ever before. About 80 per cent. of these imports have been diamonds. Precious gems have always been a favorite investment of people who distrust the honesty of their government. There is no other form in which so much wealth can be so easily concealed from extortionate government exactions.

A curious object-lesson of the cost of this internecine conflict between labor and capital in our country, which has pretty uniformly resulted in the triumph of labor and the defeat of capital, notwithstanding all the support it could command from the government, has been recently made conspicuous in a single department of industry. I have before me the result of an actual adjustment of wages that has occurred on over 55,000 miles of railroad in the Eastern States alone, involving increases in the pay-rolls aggregating \$50,000,000 annually. When the remaining lines, including the semi-Canadian lines which are in this district, have been settled up, it is estimated that the increases will add from thirty to forty millions to the above total, or an approximate increase of wages for all the Eastern lines of between eighty and ninety millions *annually*. That is a perpetual expense which

this war has entailed upon only a fraction of our railway system. When we consider the hundreds of other industries that have revolted or are now again in revolt for higher wages to indemnify them for the increased cost of living, it requires no statistician to show how insignificant was the expense of our Civil War when compared with that of the war we have been waging with all the commercial nations of the world for at least half a century. Though much more expensive than the Civil War, it has not been so bloody only because capital and the government have pretty uniformly capitulated before a resort to arms, though not always without bloodshed.

As was very wisely remarked recently by a writer in the New York *Evening Post*: "The basis of taxation cannot be otherwise than insecure when the tax-framers undertake simultaneously to exclude foreign merchandise from our markets and to support the government through the taxes on foreign merchandise which comes in. These mutually destructive purposes have been at the root of all the violent and disastrous fluctuations of the public finances. Expenditure, meantime, increases regardless of any other consideration. For the fiscal year to date, it has run \$35,000,000 ahead of 1908, and the full year 1908 ran \$81,000,000 beyond 1907, and \$90,000,000 beyond 1906."

### III

THE loss of our maritime commerce and our dependence upon foreign ships for the transport of our mails and our exports are far from being the most grievous effects of

our tariff upon imports. It seems to be rapidly deadening the moral sensibilities of our people. The combinations of labor agitators for higher wages and less work are no longer content with refusing to work for what they think inadequate compensation, but they even conspire to maltreat men who prefer to work rather than let their families starve. The excuse for this interference with individual liberty is furnished by the tariff. We open our ports to foreign labor at the rate of over one million heads per annum. Attracted by the higher rates of wage-labor incidental to the tariff, people from all parts of the world, accustomed to much lower standards of domestic life, flock hither and take the place of the strikers. That is the American laborers' defence for making it dangerous to these imported laborers not to join them; still more dangerous to accept the place of a striker, for that means civil war.

The Governor of Pennsylvania had ten thousand troops in readiness to march only a short time since, to quiet labor riots in Philadelphia. The troops did not march to the seat of war only because the corporation involved capitulated. During the strike last July on the Grand Trunk Railway—it was called a tie-up—the loss was \$117,000 a day for the several weeks that it lasted.

In our own State of New York its Senate was for a good part of its session of 1910 the theatre of the most shameful spectacle that has ever occurred, I believe, in the State's history. One of its Senators, who had just been elected as the official leader of his party in that body, was expelled by an almost unanimous vote for barratry. His trial brought suspicion upon so many more of the same body that a further investigation rec-

commended by the governor is being prosecuted to protect the characters of the honest Senators, if, as I hope, there are some, while the Senator who made the charges against his degraded colleague has resigned his seat in that body to avoid the expense if not the shame of defending himself from a similar charge with which he had been threatened. The legislative investigation is now in progress, but that it will leave the character of any member of that Senate worth protecting is daily growing more dubious.

When Mr. Taft entered into office as President he selected for his Secretary of State a member of the United States Senate who had voted for a law increasing the compensation of that among the other Cabinet offices, upon the condition, however, that no Senator, during his term as such, should accept any one of the offices thus made financially more remunerative by his vote. The Senator's term had yet one year to run. He qualified himself to accept the proffered seat in the Cabinet of Mr. Taft by promising, as the newspapers tell us, to take none of the increase of salary, at least during the remainder of his senatorial term—both the Senator and the President having overlooked or closed their eyes to the fact that it was the office, not the salary, that the law forbade the former to accept. As the incidental salary issue was "such a little one," and Pennsylvania being the very coryphæus and head centre of protectionism, the Senate cheerfully confirmed the nomination.

When Philip II replied to the Duke of Alva, who advised the extermination of the house of Braganza, that that would be at war with the principles of his religion, the duke said proudly that kingdoms were governed by

maxims of state, not by scruples of conscience. Has our republic been converted into a kingdom, or are we going back to the sixteenth century for maxims of statesmanship?

The gentleman whom the new President put in charge of the national treasury—quite the most influential political engine under our Constitution—was Mr. MacVeagh, a prominent merchant of Chicago. He had once been an unsuccessful candidate of the Democratic party for the United States Senate from Illinois. He was therefore gazetted as a good enough Democrat for Mr. Taft's Cabinet. His brother, a prominent citizen of Philadelphia, was a devoted political and personal friend of the late Samuel J. Tilden, which gave color to the rumor that Mr. Taft was trying to make terms with the Democratic Mammon of Unrighteousness.

Mr. MacVeagh appointed as Collector of the Port of New York the *fidus Achates* of President Roosevelt, who has been irreverently styled the Vermiform Appendix of President Taft. Mr. Loeb had hardly got warm in his seat before a list of a hundred or more inspectors and weighers, who had been in the habit of taking *pourboires* for their convenient blindness when searching the trunks and boxes of smuggling travellers and importers, was gazetted for punishment. This new sensationalism Mr. Loeb characterized as "house-cleaning." Secretary MacVeagh backed up his Collector with the remark that he did not expect that "such a nest of rattlesnakes" as had been stirred up in New York would be discovered anywhere else, but he was determined to "clean house" everywhere until the perpetration of undervaluation frauds had been stopped. These were brave words and

no doubt meant all they implied, though thus far none of Loeb's snakes have been heard to "squeal."

When Colbert was disciplining one of the tax-assessors or intendants, as they were called in his day, he told him, "You may pluck the goose's feathers, but you must never make it squawk." I have thus far heard none of these rattlesnakes asking for sympathy or complaining of their lot. Perhaps, as is the serpents' wont, they only shed their political skins for a season.

But assuming that this snake-hunt is not a mere wind-storm, the like of which our people have been periodically honored with since our confiscating tariffs began to grind us, nor a mere dodge to disguise the disparity of the promises made by the Republicans in their Presidential campaign and platform of 1908 and their failure of fulfilment in 1909, and allowing for the Democratic blood which we presume beats still in the heart of the Secretary, we will not doubt that he means to make snakes as scarce, nay, scarcer, in our country at least, than they were in the Garden of Eden. And this prompts me to ask, Where will he begin his house-cleaning and where will he stop it? As Loeb had reported already hundreds of suspects ready for trial, the Secretary's snake-hunt, when, if ever, it does begin, will naturally begin with them. But suppose the snakes at their trial turn upon him and say—may they not have already said?—"We have done nothing that our superiors have not taught us; they take half of nearly everything that is imported to give to their special friends and supporters, the manufacturers, who furnish the money required for the reëlection of their friends to Congress, or enrich themselves by the confiscation of half the property be-



longing to the whole nation. What we at the custom-house take is 'not a flea-bite' to what they take. Why don't you discipline our masters the snakes in Congress, who originated and constantly are increasing these tariff laws by which they get the money and jobs for their constituents, secure their own reëlections to Congress, and peddle diplomatic and other lucrative appointments? They take more dollars in a winter's session than we take pennies in a year. If your lawmakers did not plunder, we would never steal; but if they make us help them plunder, why should we not take a share in some proportion to the perilous and ignominious service we render them?"

It is difficult to see what answer the Secretary can make to his snakes that would not disqualify him fatally for a public service which is officially prostituted to the sordid lusts of the protectionists. But will the snakes stop there?

*Serpens nisi serpentem commederit non fit draco.*

In other words, unless a serpent is fed on serpents he cannot become a dragon, nor can a mere Secretary of War become the President of a party organized to impoverish the multitude for the creation of a plutocracy.

It has been reported in the public press that Mr. MacVeagh talked of withdrawing from the Cabinet before Congress meets again. Nothing is more probable than that he has found himself confronted by too many conundrums that neither he nor any other sound Democrat could successfully solve and yet retain a position in the Cabinet of a President who signed the Payne, Aldrich, and Lodge Tariff Bill.

And speaking of Presidents, the Rev. Lyman Abbott,

senior editor of the *Outlook*—whose loyalty to the administration is no more to be sniffed at than the Marchioness's lemonade made out of orange-peel, "though," as she admitted, "one has to make believe a good deal"—told us the other day, when speaking of the late disappointing tariff concoction, what not only puts the President himself in the snakes' nest, but makes him about as venomous as any of the Secretary's rattlesnakes:

When he [the President] commended the bill [of Aldrich and Payne] as satisfying the country's ideals, and when he commended the men who had put the bill through Congress as leaders to be followed, and when he condemned as anti-Republican the men who had fought for legislation more fully in accord with the Republican platform, it was impossible for him to carry the country with him. The people began to think that he was working with the machine, not the machine with him. They did not doubt his honesty. [Not anybody?] The continuing faith in Mr. Taft is a fine testimony to his character. [Fine testimony certainly, but what court will allow it to go to the jury?] But when they see Mr. Aldrich, whom they believe to be the representative of special interests, and Mr. Taft, whom they believe to be the representative of the public welfare, standing on the same platform, coöperating to the same end, and sponsors for the same legislation, they cannot but *wonder* which one is leading, which one is following. [Does any one wonder but Dr. Abbott?]

#### IV

WHETHER the very reverend editor or his more or less reverend associates wonder who is the head or who are

the bicephalate of the federal government, is not the practical question which the public has now to deal with; still less future wars, if, as I hope, when that practical question has been properly dealt with, there will be few if any future wars with or by the United States. It is the actual war that we have been waging for nearly a century, and are now waging with more violence than ever, not only with our own people, but with all the world, that first requires our attention. A wise man who proposes to build a house does not commence with its roof, nor does the builder of a kitchen chimney begin at the end provided for the escape of the smoke.

The cause of the unholy war we are now waging is the tariff on imports. Our philanthropists may cry peace, they may orate peace, they may print, write, and even pray for peace, but while fire burns and water runs we will have, nay, we can have, no peace, nor deserve any. General Sherman, who knew what he was speaking of, said, without a shade of profanity, "War is hell." But a tariff war is many times more satanic than any war of which the general had ever any professional experience, for it is essentially a fratricidal war, conceived of the most degenerate attributes of our human nature. Our prayers for peace, while, like Cain, we are deliberately threatening our brothers all over the world with our flagitious tariffs, will be justly treated by the Prince of Peace as blasphemy. There is no attribute of war that does not infect, nay, that does not incriminate, any tariff upon imports. It is the taking of property to which we have no shadow of right, in violation of the most natural of all rights, and giving what we feloniously take, to a class whose rights to it deserve no more respect

morally than their rights to the prey of the burglar or the shop-lifter. It has increased the cost of the necessities of life to famine prices, leading to the underfeeding of ever-increasing millions.

Unhappily very many people are, or affect to be, unable to understand how the tariff is responsible for raising the prices with us in America and elsewhere so enormously. It is easily explained, but most briefly by an illustration. Mr. Franklin Pierce, in his admirable work on "The Tariffs and Trusts," tells us that at the close of the year ending July 1, 1905, we imported \$570,000,000 of goods, upon which an average duty of 45.24 per cent. was levied. During the same period our domestic commerce, consisting largely of products of our mines, soil, and factories, was about \$20,000,000,000, or thirty-five times the amount of stuff imported. The purchasers of the \$570,000,000 of imports paid into the federal treasury what averaged 45.24 per cent. of that.

The domestic manufacturer, by reason of this tariff restriction, naturally raises the price of his like commodities, though usually—I hate to say, as the truth prompts me to say, uniformly—of an inferior quality, up to or near the duty line; his New Jersey champagne to two dollars a bottle; and actually sells no inconsiderable proportion of our thousands of millions of domestic products at the price thus enhanced by the tariff. So that the American consumer not only pays the 45.24 per cent. tariff on the \$570,000,000 that he imports, but on a very considerable share of the \$20,000,000,000 of commodities' worth which he produces himself, or nearly half as much again for what his own country produces as he should be required to pay, in order to protect and

benefit the trade of those who handle only one thirty-fifth of it.

Dr. Abbott, though still an apologist for custom-house slave-pens, admits in the following table that the prices of the food for the wage-earning classes in this country have increased on an average more than 150 per cent. in the last fifteen years.

### ADVANCE IN PRICES, 1896-1910

CRUDE FARM PRODUCTS		MANUFACTURED FARM PRODUCTS	
	Per cent. of increase		Per cent. of increase
Wheat . . . . .	100	Flour . . . . .	66
Corn . . . . .	106	Beef carcasses . . .	50
Oats . . . . .	119	Hogs . . . . .	196
Barley . . . . .	133	Mutton . . . . .	109
Rye . . . . .	127	Pork, barrelled . . .	196
Beans . . . . .	148	Bacon . . . . .	202
Peas . . . . .	114	Hams . . . . .	45
Potatoes . . . . .	100	Lard . . . . .	201
Eggs . . . . .	216	Butter . . . . .	140
Milk . . . . .	66	Cheese . . . . .	164
Cotton . . . . .	113	Cottonseed-oil . . .	163
Wool . . . . .	118	Hides . . . . .	105
Cottonseed . . . . .	250	Leather . . . . .	50
Live beeves . . . . .	72	Linseed-oil . . . . .	97
Live sheep . . . . .	50		
Live hogs . . . . .	152		

The pretext with which the late Horace Greeley wheedled most of our Western States through his *Weekly Tribune* was that the tariff is necessary to a new country like ours to develop infant industries, etc., until they are strong enough to take care of themselves. Yet nearly if not every one of the articles on Dr. Abbott's

list is produced in greater abundance by nature in the United States than in any other part of the world.

But a more remarkable commentary upon Horace Greeley's infant industry delusion is revealed by a recent report from the Bureau of Statistics in Washington. It informs us that among our imports of finished products—that is, “manufactures ready for consumption”—we will find \$47,000,000 worth of manufactured cotton goods, \$23,500,000 worth of silk manufactures, \$16,500,000 of the manufactures of wool, and *a gain* of 100,000,000 pounds of imported hides and skins.

Yet, mature as all these infant industries now are, every American will find it better economy to buy all his cotton and silk garments in France, all his shoes or boots and woollen garments in England, and pay all the duty besides upon them, than to buy commodities of the same name and pretension anywhere in the United States. The reason is that, thanks to the coddling of these industries by the government, they have retained all the least desirable attributes of infancy and have acquired none of those that are due from maturity.

And why is it that no American gentleman wears a Yankee woollen coat, trousers, or shirt, no American lady wears a silk dress from New Jersey, and why do both sexes fit themselves out with European shoes and boots and shirts whenever they are where such can be conveniently bought?

The answer to this question is very simple. The tariff puts a high price upon the foreign article here. It is one of the plainest principles of economics that *there is no room in any market for two prices for the same commodity*. Therefore the Yankee manufacturer has but

to produce a commodity having an external resemblance to the European article and offer it on the market as genuine, but at a price just enough lower to attract the poor and the ignorant consumer and the knavish shopkeeper. Reason enough why the shopkeeper likes the tariff, for it enables him to put off his shoddy staples of New England and New Jersey as genuine commodities at a far higher price than they could have been marketed, if at all, without the tariff. And Canal Street haberdashers call that "good business."

In this way a system and practice of knavery which originated in Washington percolates through every city, town, village, and hamlet in the United States, until the conscience of the whole nation is becoming atrophied. We have established an international reputation for the manufacture of rubbish.

There is no more firmly established principle of political economy or ethics than that no workman can deliberately produce poor work or take any part in its production without moral deterioration; neither can any government prostitute its power by legislation that not only tempts but practically compels workmen to produce poor—that is, fraudulent—work without not only becoming primarily responsible for it, but sharing in moral deterioration.

Myron T. Herrick, the former Republican Governor of Ohio, whose reelection President Taft is reported to have defeated by putting one of his feet into the scales in favor of another candidate, in a speech made last spring before the National Metal Trades' Association in New York City, had the courage to give the following statements, which could not be suspected of partisan

prejudice, unless from his silence about the fact that the waste and extravagance he refers to have all occurred not only subsequent to the time our government was entirely out of debt under the administration of General Jackson, but since the revenue tariff of 1844 was displaced by the war tariff of 1860 and its more virulent successors. As the governor was addressing a corporate body which consisted largely if not exclusively of the beneficiaries of our confiscatory tariff, he had some excuse for not closing the ears of his audience to the facts here detailed by referring to the cause of which all those facts are the inevitable results, to which, of course, they would have been as deaf as adders.

In many branches of the government service there has been little or no progress in half a century, except in the size of the appropriations required to operate them. In 111 years government expenses have increased five times as fast as population. Some of the bureaus are now spending more than the entire government service in 1853. Since 1897 the cost of all government has increased 32 per cent. for each person.

Senator Carter is authority for the statement that the methods of the post-office have not changed since 1835. The Postmaster-General asserts that 8 cents a pound, or \$64,000,000 a year, is being lost on one class of mail matter alone. . . . It is now proposed that this department, which can lose \$64,000,000 on one branch of its business without exciting more than a passing comment, and which has not changed its methods since 1835, shall become the custodian of the people's savings.

In the Navy Department the Secretary's report shows that although the German and United States navies are practically equal in number of ships and



tonnage, the naval expenses, exclusive of new constructions, are only \$47,000,000 annually in Germany against \$100,000,000 in this country.

Senator Aldrich gives it as his opinion that the national government could save \$300,000,000 a year if it were conducted on a business basis and managed as cleverly and efficiently as a large corporation.

The country has been shaken from ocean to ocean by the disclosures of graft and dishonesty in connection with the life-insurance companies and the sugar companies. The total amount involved was ridiculously small as compared with one year's waste from inefficiency and extravagance in conducting the public business; yet these conditions have obtained for generations, and it is only when they have grown into such proportions that they affect the public credit and the taxes of the country become burdensome that we recognize their appalling purport.

## V

THE reckless and stupid way in which we are using up our national capital to pay our debts to foreign nations, contracted for things we could have had at half the price if our ports were open to them as freely as to their emigrants, can only be fitly compared to the folly of the man who feeds himself through his nose instead of his mouth, or on what he smells rather than on what he chews. Both must, of course, grow poorer every day, and rattlesnakes proportionately more abundant.

Though endowed by Providence with a greater abundance of every commodity required for the construction of vessels for ocean navigation and for sailing them than

any other nation in the world, the tariff has swept our commercial navy from the ocean, while our imports are paid for largely, not out of our surplus earnings, but out of our capital—our forests, our mines, and the products of our agriculture, which resources are in turn being rapidly exhausted to indulge the reckless extravagance of this generation to the criminal prejudice of its posterity. Our product of agriculture, except on our limited remaining patches of virgin soil, is scarcely half the product per acre of the farm lands in any other part of the world, except perhaps in Africa and Greenland. Our "wheat yield per acre for the past forty years," says J. J. Hill (there is no better authority), "has averaged 12.7 bushels to the acre. In Germany they import fertilizers from the United States and yet sell wheat as cheap as we can. If we got the same yield per acre as Germany, we would have enough wheat for home consumption and 800,000,000 bushels for export."

The cost of working our farms is becoming so enormous, and labor so dear, that the young men who inherit them are swarming to Wall Street or to other places with congener outfits, where they live upon the crumbs which fall from the tariffly enriched men's tables, honestly if they can, and otherwise when they think they must. Gambling, which once used to be regarded in the United States, as it justly deserved to be, one of the most degrading as it is one of the most purely satanic of vices, has recently become so fashionable for both sexes that there is no day in the week, not even the first, in which it is treated by the majority as a violation of the fourth or any other commandment.

How, then, too, can the clergy longer denounce gam-

bling as a vice, when the government of the United States spits upon both the two great commandments, on which hang all the Law and the Prophets, and instead of doing to others as we would have them do to us, instead of loving our neighbor as ourselves, treats him with as little respect as the Apache Indians used to treat our prairie travellers before railroads and the telegraph offered their protection?

The silence of the American clergy in their pulpits about the wickedness of the tariff would be incredible if their bread and butter were not so largely dependent upon it. There is no class so lavish with their bounties to the churches as those whose wealth has been amassed with a more or less scandalous indifference about the means by which it has been acquired. No Italian highwayman was ever known to pass a cross at the roadside without stopping to make the sign of the cross upon his forehead.

Nevertheless the great Head of the Church is never forgetting his Church. He is never more present than when he seems to have turned his back upon it. At a meeting of the Presbyterian General Assembly in May last, the Board of Ministerial Relief in its report "referred to the constantly increasing number of families of ministers that need aid, and asked the General Assembly to call the attention of the churches to the urgent needs of the board." It was stated that the increase in the cost of food, clothing, and other necessities had made it imperative for the church to increase its payments to disabled clergymen and widows of clergymen from \$300 to \$500 for the former and from \$250 to \$300 for the latter. It was also stated in the report that there were 4480

churches which had not contributed a cent to the cause during the last year. This brought out a resolution, which was passed, ordering that such churches as failed in future to make proper contributions *should be reported to the Assembly and publicly censured.*

But reporting these churches to the Assembly will not bring down the cost of food or clothing. Nor will a censure of them make the 4480 churches whose udders have dried up feel any more disposed to give down their milk. These recalcitrants may be the mysterious instruments of Providence to let the shepherds know that their flocks are not properly fed and that, while tithing their mint and cummin, their ministry is not lifting a finger to correct the cause of their destitution. Jesus is never accidentally or without a purpose sleeping in the bottom of the boat while his disciples are struggling with the waves. It is when they feel the need of aid and clamor for it that he awakes and the sea becomes calm.

## VI

As the most vicious enemy of commerce that has ever been devised, the tariff upon imports is, *ex vi terminis*, the most uncompromising of all the enemies of civilization.

"Thank you," wrote to me our common friend the late Samuel L. Clemens, whose gentle humor made his wisdom the currency of the nations, "thank you for any hard word you may say about the tariff. I guess the government that robs its own people earns the future it is preparing for itself."

In the year 1839 a speech was made in the Senate of the United States by John C. Calhoun, one of the most consummate logicians that ever had a seat in that forum, in which, speaking of an amendment to a tariff bill that had been introduced by Senator Benton, he said that at its very basis lay the assumption of a power which if established would have assumed that duties and taxes might be laid for revenue, but might be perverted to the purpose of encouraging one pursuit and discouraging another; that is, that the revenue power might be converted into a penal or stipendiary power.

Acting upon this false and dangerous presumption [he continued], the protective system had been introduced, and pushed to the most extravagant extent, under the act of 1828. By its baneful influence the great staple interest of the South and that of the navigation of the East were paralyzed, while certain others were made to flourish. To effect this, millions and millions were taken from the people and poured into the treasury—where it constituted a vast sum for extravagance and unconstitutional expenditures—corrupting the community, and extending the patronage and power of the government beyond the limits consistent with our free institutions. This vast patronage, concentrated in the hands of the Executive, had rendered that department all-powerful; and was thereby rapidly leading the way to the consolidation, not only of the powers of the legislative, but the whole powers of the entire government, in that department. It was against such a system, producing such effects, that the blow was struck—bravely and magnanimously struck—that led to the Compromise Act, which this motion is intended to disturb. It was successful. It was directed at the root of the evil. It has stopped the excessive flow into the treasury; and, followed up by

the Deposit Act of 1836, it has emptied it of its corrupting mass. He saw clearly that reform with an overflowing treasury was impossible, especially when that overflow consisted of bank-notes. It was impossible to arrest waste or limit patronage until the means which sustained them was exhausted. This great object is now effected; and retrenchment, economy, and reform must follow, or woe to those in power! And when these shall gain the ascendancy, then will the blow which was dealt against consolidation, and for the Union and our free institutions, have effected the great and patriotic purpose intended by those who directed it, and of whom I shall ever be proud of having been one. The protective system, which has been the cause of all the mischief, has fallen prostrate before it in the dust. He who undertakes to revive its putrid carcass will perish in the attempt.

How fitly and grandly would these words ring through the halls of Congress to-day if, alas! if—

It was as one of the echoes of those prophetic words, and under the very administration which this prophet commended, that our republic came to enjoy the distinction of being the only government then in the whole world that was free from debt.

The relief of those evils by the Compromise measures, like all compromises, was of transient endurance, simply because the tariff root was left alive in the soil. There is no such thing as a peaceful or durable compromise with vice in any form, as there is no such thing as a small sin. Will our people realize this before it “earns the future it is preparing for itself”?

In further support of my contention that the tariff “is evil and for evil only good,” I will now invoke the manes

of another American statesman whose shoe-latches no President of the United States, since Lincoln at least, would be worthy to unloose, and this I say without derogating from the merits of any of President Lincoln's successors. On the 22d of July, 1778, Benjamin Franklin addressed from Paris the following letter to James Lovell:

Commerce among nations, as between private persons, should be fair and equitable, by equivalent exchanges and mutual supplies. The taking unfair advantages of a neighbor's necessities, though attended with temporary success, *always breeds bad blood*. To lay duties on a commodity exported, which our neighbors want, is a knavish attempt to get something for nothing. The statesman who first invented it had the genius of a pickpocket, and would have been a pickpocket if fortune had suitably placed him. The nations who have practised it have suffered fourfold, as pickpockets ought to suffer. Savoy, by a duty on exported wines, lost the trade of Switzerland, which thenceforth raised its own wine; and (to waive other instances) Britain, by her duty on exported tea, has lost the trade of her colonies. But, as we produce no commodity that is peculiar to our country, and which may not be obtained elsewhere, the discouraging the consumption of ours by duties on exportation, and thereby encouraging a rivalry from other nations in the ports we trade to, *is absolute folly, which indeed is mixed more or less with all knavery*. For my own part, if my protest were of any consequence, I should protest against our ever doing it, even by way of reprisal. *It is a meanness with which I would not dirty the conscience or character of my country.*

## VII

OF one at least of several peace organizations to whose courtesy I am indebted for invitations to associate myself therewith, Colonel Theodore Roosevelt is the honorary president. On his return from his African hunt he touched at Christiania, in Norway, to deliver an address on "International Peace" before the Nöbel Prize Committee. In the course of his remarks he made the best possible use of the occasion to address the following counsel to the peace apostles assembled there:

We must ever bear in mind that the great end in view is righteousness, justice as between man and man, nation and nation, the chance to lead our lives on a somewhat higher level, with a broader spirit of brotherly good will one for another. Peace is generally good in itself, but it is never the highest good unless it comes as the handmaid of righteousness. . . .

Moreover, and above all, let us remember that words count only when they give expression to deeds or are to be translated into them. . . . Our words must be judged by our deeds; and in striving for a lofty ideal we must use practical methods.

To my great regret, though scarcely to my surprise, the colonel made no allusion whatever to the tariff upon imports, manifestly the most powerful centrifugal force to which civilized nations have ever been subjected, excepting, of course, the natural depravity of the human heart.

It is reported that the colonel has promised to break the silence he so obstinately maintains since his return



to his native land in order to take part in the fall congressional campaign in behalf of his nephew, should the latter be nominated as a candidate for the House of Representatives. Nothing would be more opportune or interesting than for him to profit by this occasion to answer four or five questions which the foregoing extracts suggest to the "plain people," to whom this monograph is addressed:

1. If righteousness is the great end of nations, what is the great end of governments that impose tariffs upon imports?

2. If their ends differ, please explain their points of difference. If, on the other hand, their ends are the same, please define righteousness, and also unrighteousness, its opposite.

3. In the Bible, of which I believe the colonel is a faithful reader, the prophet Isaiah says: "Thou shalt know that I the Lord am thy Saviour and thy Redeemer, the Mighty One of Jacob. For brass I will bring gold, and for iron I will bring silver, and for wood brass, and for stones iron: I will also make thy officers peace, and thine exactors *righteousness*. Violence shall no more be heard in thy land, desolation nor destruction within thy borders." Are the functions of the "officers" and "exactors" here referred to the same as those of Mr. Loeb's rattlesnakes at the custom-houses of our country, and if not, in what do they differ?

4. Does the peace prevail in our land that our Lord promised, or is ours only the peace that man giveth? And when shall the violence no more be heard, nor the desolation and destruction within our borders, especially

those with which our railway and industrial organizations are battling for their very lives?

5. Does the tariff bring gold for brass, and silver for iron, to us, and if so, to what class or proportion of our people does it deliver them?

In his discourse at Christiania as an apostle emeritus of peace, the colonel puts his own valor conspicuously in evidence in the following comprehensive indictment of "cowards":

No man is worth calling a man who will not fight rather than submit to infamy or see those who are near to him suffer wrong.

Jesus of Nazareth submitted to both, to an extent never experienced by any other human being, and yet no one has ever doubted his courage except the scoffers at his crucifixion.

But as the rest of us, at least, are prepared to admit that Jesus was born with some advantages shared fully by no other person, the colonel may content himself with embracing such an eligible opportunity of telling us how much he has done as Legislator, President, Peace-Maker, Hunter, or Prophet to relieve the millions of his country-people, whether near or far off, so many of whom are suffering—many to starvation and not a few to suicide—in consequence of that monument of unrighteousness, our tariff upon imports. And also while on the subject he may be kind enough to tell us why, in a discourse in no respect conspicuous for brevity, in commendation of peace, he never once referred to the war which, while President, he and the government over

which he presided were constantly waging against every country which conferred upon him its honors and of which he was a privileged guest.

## VIII

TRAVELLING some thirty years ago through the cane-sugar country of Louisiana, I casually fell into conversation in the cars with a large sugar-planter of that region. From him I learned that the sugar plantations of Louisiana, for the protection of which the sugar tariff was originally imposed, yielded a crop on an average only once in three years. Upon further inquiries about the cost of growing, harvesting, grinding, and marketing the crop, he admitted that, with all the aid of the tariff, the entire sugar crop of the State netted to its producers only about \$450,000. The value of the sugar imported into the United States during the current fiscal year 1910 was \$101,435,108. The tariff to which it was subjected ad valorem was 56.22 per cent., that is, \$57,024,675, in other words a wanton burden annually of over fifty-seven millions of dollars upon the consumers of sugar alone. I then suggested to the planter the advantage it would be if, instead of a tariff, which was a serious burden to every family in the nation, the government were to give Louisiana a bounty of \$450,000 every three years and let the land be devoted to some other more productive use. He replied that the negroes did not know how to grow anything else, and it was important to give them the employment. This was an intelligent, educated man, apparently the equal of the average legislator

or Congressman, but he seemed to have no idea of what a set of Issachars he was making out the Louisiana sugar-planters to be.

Had our Congress wished in 1907 to adjust the late tariff exclusively with a view of securing the most revenue with the least burden to the people, it had only to reduce it to one half of its present rate. That would not only have greatly increased its present revenue, but it would have involved a corresponding diminution of the rattlesnake brood with which our country seems to swarm. It was not reduced because the tariff on sugar is purely a protective tax maintained to compel the people to pay \$57,024,675 more than the sugar is really worth, in addition to the same amount that goes into the public treasury and to the official rattlesnakes.

One of the reasons now urged by some feeble-minded enthusiasts for an income tax is that it would distribute the burdens of taxation more proportionately to the strength of the backs upon which they would fall. This is a delusion not unlike those which lubricated the original introduction of the tariff rattlesnake: a temporary encouragement of infant industries; later, under the pretext of saving the Union, it was baptized a "war tariff"; and now it is avowedly protection *for the sake of protection*—that and nothing less. Whoever supposes that the Republican party, which is now the synonym for a party of "protection for the sake of protection," would reduce the tariff a single penny because of what an income tax, however oppressive, might yield, would make as egregious a blunder as the silly man who plunged into a lake to lay hold of the full moon which he saw reflected in its water, mistaking it for a green cheese. Had Congress

possessed the power in 1909 to raise \$57,000,000 by an income tax, the sugar tax would have been retained just the same, unless increased, and appropriations would have been increased to absorb it. The tariff rattlesnakes are just as sacred and as devoutly worshipped on Capitol Hill as snakes ever were in Africa or Hayti. Congressmen may come and Congressmen may go, but the tariff extortions will go on so long obviously as a Republican administration controls in Washington.

We have paid in pensions since the month of June, 1863, \$3,551,025,651—nearly or quite the amount of extraordinary expenses of our government during the Civil War. The number on the pension roll in 1907 was 985,971—a larger number than we ever had of soldiers at one time in the field during that war, or either before or since we became an independent nation. These pensioners are now drawing \$138,030,894 annually; and though we have had no war since 1865, except the three or four months' scrap with Spain, the pension roll has been annually increasing for the last forty-five years. It would be interesting and instructive to know how small a room it would take to hold all the surviving soldiers of the Mexican and the Civil War, and the widows of those deceased. No other country has or ever had such a pension list. Would we ever have had such a burden to carry had not a shameful proportion of it been appropriated by Congress to secure the reelection of its members pledged to protection? Would that species of graft have been practicable had it not been for the delusion of a majority of our people that it is the foreigner, not ourselves, that pays the duty on foreign imports? Nay, in spite of such delusion, would it have

been practicable were there no special inducements to guard the treasury against a surplus, and the administration against a clamor from the people for a reduction of their burdens?

## IX

WERE there ever many, if any, wars more just than would ensue if a man brought into our town a load of potatoes to sell and a publican and sinner were to tell him that half or even a peck out of each bushel must be set apart for him and his associate hotel-keepers before the other three pecks of every bushel could be put on sale in the markets?

In what respect morally or financially would this differ from the publicans' going in person or sending their servants to their neighbors' potato patches and carrying away the potatoes from every third or fourth hill? Nay, in what important respect would this tariff upon our neighbor's potato patch differ from the provocation of at least ninety out of every hundred wars recorded in history? Yet, morally as well as economically, we, as a nation, have been for a century or more acting upon precisely the same principle as these sinful publicans.

A tariff upon foreign imports provokes reprisals as naturally as predatory encroachment upon foreign territory, for it is equally a wanton appropriation of another nation's property. Indeed, most wars in modern times, and all with which the world seems now to be threatened, have been waged to secure new or retain old markets. For this reason and no other is so much of the wealth of nations absorbed in constantly increasing armies and

navies. It simply means that each nation does not wish another's capacity for depredation to exceed its own, and assumes that depredation will follow if it does. No tariffed nation gives any other nation the credit of respecting its territorial rights any longer than it thinks that nation is the weaker. The most renowned if not the most capable military chieftains in human history were simply highwaymen writ large. What biographical dictionary would ever have given more than a paragraph to the names of Alexander, Hannibal, Charlemagne, or the Bonapartes, but for the wars they waged for what they had no semblance of a right to? The pæans to their glory in last analysis are but the war-whoops of the savage vaunting his belt of scalps. The clamor for peace, of which we hear so much of late, is only a clamor for "the peace that man giveth." It means, to those making most noise and professions about it, little more than a change of weapons with which to fight. The predatory class nowadays make war by securing the protection of a tariff for their own industries, of which the unprotected millions have to bear all the burden. It is the sham coat of arms of Vanity Fair, assumed from the peerage, with *Pace in bello* for its motto.

## X

BEFORE the Civil War of 1861-1865 we knew nothing of the recent conflicts between labor and capital, nor was such a financial phenomenon as a Debs or a Gompers known in the land. The idea that any man should not

sell his labor for what it would bring in any market he chose to offer it in was a craze which was only to be encountered, if anywhere, in lunatic asylums. Patriotism and the preservation of the Union were made the excuses for increasing the tariff in order to obtain money to carry on the war, excuses justified neither by sound statesmanship nor intelligent patriotism, but hastily and inconsiderately imposed upon the country for the sake of a higher tariff on imports and more protection under the specious guise of a war tariff, and therefore professedly a temporary one.

Though the mode adopted for providing means for prosecuting our war cost the country more than double what it would have cost had we relied upon our wealth and credit, as a few years later was done by the two powerful nations engaged in the prosecution of the Franco-German War, yet that unnecessary cost was far from being the greatest calamity which has resulted from that ill-omened mistake. It so whetted the appetite of the protected class by what they had fed on, that at the conclusion of the war there was not a word uttered about infant industries or of a war tariff, nor any serious thought given by the administration to any reduction of any kind of tariff. By its aid—by the retirement from Congress during the war of the Southern representatives, who were pretty unanimously in favor of low duties if any, and who, when returned to Congress, were admitted as hostiles and regarded with so much suspicion by the Republican majority as to have little influence there—the tariff was steadily increasing, until it soon had a plenty of champions of the principle of protection for the sake of protection. In fact, it has now no other.



No tariff can remain stationary long without impoverishing somebody. It attracts capital and, of course, in the same degree increases competition against which there is no relief possible except by increase of the duties. Fifty years have elapsed since the tariff for revenue adopted in 1844 gave place to the war tariff of 1860. That tariff under various pretexts has been altered—or “revised,” as seems now the phrase most in fashion—some half-dozen or more times in the interval, and in every instance increased.

Of our last three Presidents, Roosevelt and Cleveland were birthright free-traders, and though McKinley gave his name and vote for the vilest tariff bill the country had ever been afflicted with up to his time, his four years’ experience as our chief magistrate converted him into a tariff reformer. The last public utterance that came from his lips was an urgent appeal in that sense. Yet all three of these statesmen learned by more or less humiliating experiences that neither the Republican nor the Democratic party could be led to a victory under a free trade or even a tariff reduction banner. All succumbed and acted in the spirit, if they never used the words, of the similarly humiliated King of France, “Paris is well worth a mass.”

Industries stimulated by protection are like the victims of delirium tremens—both clamor madly for more, and the protected class has become so powerful by its numbers and unjustly begotten wealth that, as in the case of the whiskied lunatic, “because protection is such a good thing, of course we cannot have too much of it.” Mr. Roosevelt’s candidate for the Presidency two years ago, in response to the public clamor for a revision of the

tariff, said that he would call an extra session of Congress for that purpose immediately after his inauguration, and that a committee should be appointed to reduce the schedules that are too high and *raise such as are too low*. The result of such a revision was, as I at the time predicted, much like our early fur traffic with the Indians—one of the buyer's feet always in the scale that weighed the pelt. "The cockroach never wins its cause," says a Haytian proverb, "when the chicken is judge."

About every eight years since the Republican party was founded, now fifty-six years, we have had what was called a revision of the tariff, or an attempt of that name, and in every instance it was increased. What has been shall be, saith the Preacher. In every one of those fifty-six years the appetite for more protection has increased, and the power to resist it has proportionately diminished.

Protection is a poisonous stimulant that provokes appetites which it can never satisfy even temporarily but by increased indulgences, and must ultimately result in disaster to those who continue to confide in it.

I may pertinently cite here a letter of very recent date from the president of the Massachusetts Historical Society, Mr. Charles Francis Adams, to a friend who bears an historic name, in which he says, speaking of the recent International Free Trade Conference in London:

I suppose that it is our duty to keep the sacred flame alive, and have faith in its future. Nevertheless, I am obliged to say that, so far as the cause of free trade in this country is concerned, the outlook never seemed to me less encouraging than now.

You know perfectly well the class of men with whom we have to deal. They are tricksters, infinitely

skilled in their work, and little better in any respect than the thimble-rigger at the country fair.

I have no doubt that there will be a revision of the tariff next year, no matter which of the two candidates, Taft or Bryan, occupies the Presidential chair. Both candidates, as well as both parties, are pledged to it. Meanwhile, you know just as well as I, how the game will be worked.

I state what is of common knowledge when I say it is perfectly feasible to make an ostensible average reduction of 25 per cent. in the present tariff schedules, and yet in reality increase the actual protective burden by at least 5 per cent. It is only necessary to strike off that excess of duty which was imposed through the different schedules when the Dingley Tariff was framed, with a view to trading thereon upon the passage of the reciprocity treaties then in negotiation. Those treaties have not been confirmed; and now this excess duty, judiciously applied in way of ostensible reduction, would in no way lower the actual protective system. Meanwhile, on the other hand, a neatly arranged increase of certain schedules, as suggested by Mr. Taft, would fill out and complete the protected abominations. Here is "the little joker"; and yet, as a result of the whole, it might publicly, and most plausibly, be proclaimed that a net tariff reduction of 20 per cent. had been effected.

That the whole thing was a thimble-rigging fraud would be only too manifest to the well-informed. To the unthinking, however, a campaign pledge would have been faithfully redeemed.

Mark you, I do not for a moment suggest that this scheme is in the mind of either Mr. Taft or Mr. Bryan. That, however, it will be the game of the tariff manipulators of Congress I have little, if any, doubt.

As an all-round illustration in point, I send you a

clipping from this morning's Boston *Herald*, entitled "Puck in the Campaign."

Mr. Taft I believe to be a perfectly honest man, but you will there see that he has "been advised by men who know" that a certain schedule could be raised to advantage. The facts in the case are clearly set forth in the clipping. The duty on the commodity referred to (pottery) is already fixed in the Dingley Bill of Abominations at from 55 per cent. to 60 per cent., or "practically twice the total cost of production"; and yet, as a measure of tariff reform, Mr. Taft unconsciously advises such further protection as shall practically be prohibitive.

It was Macbeth, I believe, who, on a certain occasion, energetically exclaimed:

"And be these juggling fiends no more believed,  
That palter with us in a double sense;  
That keep the word of promise to our ear,  
And break it to our hope."

I am confirmed in the above view by information which reaches me from well-informed quarters, that the steel men, the wool men, and the sugar men all say, privately but with confidence, that they do not apprehend that their several schedules will be affected adversely. You know their persuasiveness and their power!

## XI

PROTECTION gives a very substantial pecuniary advantage to a limited class of industrialists at the expense of all outside of that class, and thus has laid the foundation of our American plutocracy, just as our forefathers in America gave to the slave States a larger per capita representation in the Congress than was enjoyed by the

non-slaveholding States, and thus founded a plutocratic aristocracy in those States to which its members, in 1861, attached more value than to the Union.

After more than half a century's discontent of the North with the dictatorial supremacy which the South acquired through this inequality, the census of 1860 revealed the fact that the political supremacy of the country had crossed the Potomac River and that cotton was no longer king. As a consequence of the trifling concession, as it was regarded by our forefathers, to secure the assent of two or three refractory slave States to the constitutional organization of their government in 1792, that concession had swelled and festered in the nation until it could only be eliminated by the most expensive and bloody war up to its time.

That war was purely a labor war, at least so far as the South, which brought it on, was concerned. So soon as the census revealed that its supremacy at Washington had terminated, the planters in that section were determined to perpetuate the system by which they had obtained all the labor they required for little more than the pork and hominy necessary to feed the negroes whose labor supplied both. An appeal to arms by the South had no other rational purpose than to retain, or secure at a trifling price, an abundance of involuntary labor.

In what did the situation which furnished the purpose and provocation of that war differ from the situation confronting us to-day? Must we tolerate it *until obliged to rid ourselves of it in the same way?*

The tariff has built up an aristocracy already more numerous than were the refractory slave-owners in the South. It has built it up, too, by privileges quite as un-

just, and as exclusively for money's worth, but a thousand times more lucrative to its beneficiaries than slavery ever was. The consequences are that it has divided our people again into two classes—one, of those who have more wealth than they know what to do with or how to give away, and another, of breadwinners who, if they lose a day's wages, even by illness, have to go in debt for their next day's expenses. The increased cost of living compels an increase of wages from time to time, but always the cost of living increases faster, until now the food of the proletariat has reached famine prices in most of our large cities and is daily increasing. With food enough produced in the United States to nourish twice its population, the average wage-earner can lay up nothing, can provide few privileges for his family, and practically no recreations.

“Skin for skin, yea, all that a man hath will a man give for his life.” Is it strange that there is friction between labor and capital with us? The mass of our own people are not political economists and know little, if anything, about tariffs, except what is their fatal delusion: that the tariff promises to protect them from the competition of foreign labor. Is it strange, therefore, that our breadwinners combine for higher wages to meet the constantly increasing cost of the necessities of life? When capital takes advantage of unemployed labor to avoid such increase, is it strange that the wage-earners dismissed, treat those who at lower rates supply their places as enemies, as traitors who betray the rights of the class to which they in common belong? Hence the labor war which has cost us in America many millions of dollars through the industries it has suspended, interrupted, or

impoverished, and by such interruptions filled the country with idle, starving, and desperate men. Is not such the natural and inevitable fruit of all tariffs upon imports? While the tariff lasts can we ever again be free from serious apprehensions that any day no inconsiderable part of all the machinery upon which our civilization is hourly dependent shall be blocked by refractory labor combinations?

The following language recently used at a Republican convention by the senior United States Senator from Massachusetts is unhappily too true, and it is a pleasure to hear or read it from the lips or pen of so prominent a member of the Republican party as Henry Cabot Lodge:

It is the huge size of private fortunes, the vast extent and power of modern combinations of capital made possible by present conditions, which have brought upon us in these later years problems portentous in their possibilities and threatening not only our social and political welfare, but even our personal freedom, if they are not boldly met and wisely solved.

Mr. Lodge forbears or at least neglects to state what the "present conditions" really are which have brought upon us these portentous problems, for, like Br'er Rabbit, with only a racial distinction, he, too, was born and bred in the brier-bush tangle of New England protectionism. He therefore very respectfully refers only to *present* conditions, but forbears to say a word of the pathogenesis of those conditions.

Mr. Lodge's solicitude for personal freedom reminds one of a story Thomas Jefferson used to relate of an incident occurring on one of his journeys through Virginia. He chanced to stop at an inn the landlady of

which had just returned from the funeral of one whom she lamented with much feeling. "But, Mr. Jefferson," she said, "we have the consolation of knowing that everything was done for him that could be done. He was bled no less than twenty-six times."

## XII

To give some idea of the cost and prevailing results of the war waging in our country at present between the tariff-skinned wage-earners and the government, it may be instructive to note that on over 55,000 miles of railroads in the Eastern States alone the concessions to the strikers involve increases in the annual pay-rolls aggregating \$50,000,000. When the other Eastern and the Western lines shall have settled up with the strikers, the amount to be paid will be more than doubled. Yet the railways are but one of the hundreds of industrial armies that the tariff has put into the field to war against the protected capitalists and their rattlesnakes.

Another illuminating illustration of the discouraging influence upon national prosperity wrought by restrictions upon foreign commerce and of the advantages secured by their removal is given in a table of the last century of Great Britain's exports. A nation's exports are the most reliable if not the only available test of its prosperity.

Prior to the free trade budget of 1842 the exports of Great Britain amounted to \$175,000,000; after the budget of 1842, to \$200,000,000; after the repeal of the Corn Laws in 1846 and the Navigation Laws in 1847



they rose promptly to \$275,000,000. From that time on her exports increased pretty regularly every seven years at the rate of about \$125,000,000, so that her exports in 1901 amounted to \$1,375,000,000; in 1907 to \$2,000,000,000; and for the last year are authoritatively estimated as \$2,200,000,000.

The slaveholders took the desperate risks of a civil war to avoid paying a fair price for the culture of their cotton, sugar, and tobacco fields. Is the time very distant when the protectionists will be ready to risk another civil war for precisely similar economical reasons and with even more disastrous results? Such a revolution might, and probably would, leave a tariff upon imports behind it, as its predecessor did, though shorn of a portion of its claws and teeth, if still remaining our main reliance for revenue. That would be like surgery for a cancer. The disease would soon reappear with increasing vigor if a single root or fibre of it were permitted to survive; and what can so surely, so quietly, so genially supply its place as the opening of our harbors freely to the commerce of all the world, and for the purposes of revenue reserving a quota of what it would thus directly contribute to the new industries and national resources created by its new-born commerce?

### XIII

IN dealing with its foreign commerce our government seems to have been bewitched with the Calvinistic notion that the more commerce has to suffer and struggle, the more it will thrive. It not only taxes the foreign mer-

chant for what he sends one half of its home cost, but it further discourages his coming to us at all by charging for our harbor hospitalities two or three times as much as he would be charged in the harbors of any other maritime nation in the world.

The *Savoie* of the Compagnie Transatlantique has to pay for the privilege of landing her passengers and cargo in New York over \$4000. She pays \$1000 for wharfage; \$214 for her tonnage tax; for her custom-house expenses, \$26.20; health officer and board of wardens, \$35; transfer of immigrants and baggage, \$85.25; pilotage, entering and leaving, \$32; hospital expenses and surveillance, etc., at Ellis Island, \$138.63; head tax for 592 aliens, \$2368; besides many other expenses which vary with each voyage. The *Savoie* is now a relatively small ship, though not an old one. The vessels since built for the transatlantic service in England and Germany are of nearly twice her tonnage, and those which harbor in New York City naturally incur fully twice the harbor expenses. The *Kaiser Wilhelm* of a German line pays on her net registered tonnage, for five trips, \$1900, or six cents per registered ton for each of her five trips; a head tax of \$4 a head on an average of 1000 passengers; pilotage for entrance and departure, \$242; for transferring immigrants, on an average, \$120. New Jersey, with a sagacious liberality, makes no municipal charges for docking in Hoboken, except the \$10 for the port warden. The German company owns its wharves. A proper return for the investment made by the company on these wharves, however, is estimated for each trip of one of its large steamers at about \$300 a day, or about \$2000 a year.

The harbor expenses of the *Savoie* in Havre are about half what they are in New York. Those of the German lines in home ports are less than a quarter of New York's charges.

For any vessel of between 6800 and 9000 cubic metres capacity the total charges from sea to Bremerhaven, and out from Bremerhaven to the first buoys, are less than \$400. \$97.08 for port charges cover all the cost for the use of the quays and dock accommodations at Bremerhaven, while at Hoboken they cost about \$2000 a year.

What should be said or thought of a government, or of the fitness of its people for self-government, who, with a country abounding in greater natural resources for the creation of a commercial marine than any other in the world, so far as is yet known, not only discourages commerce with any foreign nation, and even with some of its own colonies, with the nearest to a prohibitive tariff that is imposed by any nation in the world, but which in addition handicaps its commerce by taxing the ships that come to bring it supplies at a cheaper rate than it can itself produce them, as if they were importing the cholera or the sleeping-sickness?

Any people having a proper appreciation of the privileges and uses of self-government should hail the arrival of a foreign merchantman with only less enthusiasm than it would have been welcomed by Robinson Crusoe or Alexander Selkirk.

Mindful that every penny spent by such a visitor in entering or occupying its harbor must be added to the price of the cargo he brings and must ultimately be paid by the people who purchase it, common sense would

dictate that all the privileges of the port should be made as free as possible.

What is the matter with the man's head who cannot see that every merchant ship entering our harbors is so much money by how much less we pay for its commodities than we can produce them for, and in addition furnishes a profitable market for so much of our own surplus as will give a return cargo to its skipper, who therefore should be welcomed as a special providence, not as a beast of prey!

#### XIV

By nature the United States was constituted to become the Mistress of the Seas. It was this conviction that gave to Napoleon the prophetic wisdom of ceding the Territory of Louisiana to us for a nominal sum. We ought already to be Mistress of the Commerce of the Seas, and who can reasonably doubt we would be but for the disorganizing and demoralizing influence of the tariff? We have over 19,000 miles of continuous ocean, gulf, and lake coast lines, which is considerably more than is possessed by any other nation in the world. We have already some 200 ports of entry with custom-houses to match. Yet we would soon have many more but for our tariff and navigation laws, which have practically given our immensely profitable ocean transportation service over to foreign nations.

We have a more abundant supply than any other nation in the world of the principal materials required for the construction of a commercial marine, such as

coal, iron, copper, lead, zinc, and wood, besides dozens of other articles of secondary importance, without speaking of our numberless gold and silver mines.

Why is it, then, that whenever we wish to visit a foreign country or send it a bale of cotton or tobacco, we have to pay for our passage or for the transport of our freight to a foreign ship-owner? Simply, first, because of our absurd navigation laws, and secondly, because everything required in the construction of a ship, even nails and hammers, is weighted by such a tariff that it adds fully 40 per cent. to the cost of a ship built in an American yard. The price of whatever we contribute to the structure of a ship therefore rises to the level of the tariffed foreign products. Hence it is that Great Britain, with a population of 40,000,000, exports more than five times as much manufactured products for every man, woman, and child in that country as the United States does with a population of more than 90,000,000.

To make a striking exposure of the paralyzing and destructive influence of the tariff, both on commerce and on the ship-building industry, let me cite a table recently presented by the treasurer of the Cobden Club, the Hon. H. Russell Rea, to the British Parliament, to show the relations between the tariffs of maritime countries and the amount of their steam shipping tonnage as compared with their average ad valorem duties:

AVERAGE AD VALOREM DUTIES		STEAM SHIPPING TONNAGE	
	Per cent.		PER INHABITANT
Russia . . . . .	131	Russia . . . . .	1 ton to every 330
United States . . . . .	73	United States . . . . .	" 166
Austria-Hungary . . . . .	35	Austria-Hungary . . . . .	" 110
France . . . . .	34	France . . . . .	" 71
Italy . . . . .	27	Italy . . . . .	" 72

AVERAGE AD VALOREM DUTIES		STEAM SHIPPING TONNAGE	
	Per cent.	PER INHABITANT	
Germany . . . . .	25	Germany 1 ton to every	34
Sweden . . . . .	23	Sweden	" 24
Greece . . . . .	19	Greece	" 12
Denmark . . . . .	18	Denmark	" 9
Norway . . . . .	12	Norway	" 4
Holland . . . . .	3	Holland	" 15
United Kingdom (no protectionist tariff)		United Kingdom	" 4.6

Here we find that with an average ad valorem import duty of 73 per cent. the United States has but one ton of shipping for every 166 of population, while the United Kingdom of Great Britain and Ireland, without, strictly, any protective tariff, has a ton of shipping to every 4.6 of its population.

This was not always so. Far from it. In 1861, when we began to protect the country by a war tariff, our total tonnage, oceanic and domestic, was over five and a half million, and only three and a half thousand tons less than that of the whole British Empire in that day. We actually owned at that time one third of the entire maritime tonnage of the world. Even five years earlier the value of our imports and exports carried in American bottoms was more than three times all that was carried in foreign bottoms. This shows what the American people were and still are capable of doing in free competition with the rest of the world for its commerce, when, if ever, they can disengage themselves from the tariff octopus.

Why is it, then, that the United States flag is now rarely or never seen upon the oceans except on vessels of war? Why is it that, of the millions upon millions of

bushels of grain shipped by us to Europe every year, not a solitary bushel finds transportation in an American bottom? Why are our shipyards deserted and the building of merchant ships in America become practically another of the lost arts? And why are we building new vessels of war under the pretext of protecting our commerce, when we have no commerce, nor the least prospect of any that we can call our own, to protect?

Our chambers of commerce and exchanges are trying every year to mend matters by appeals to the federal government to develop a commercial navy by subsidies or bounties, thus taking out of the people's pocket by the tariff, which kills our commerce, money enough to renew artificially that commerce which we enjoyed before the Civil War. I never hear of these appeals, nor of the tedious debates in Congress to which they give rise, without thinking of a story told by Lucian, the Rigidum-funnidos of Samosata, about a simpleton who busied himself in milking a he-goat into a sieve.

And yet our position appears even more ridiculous when we reflect that we are waging a war against every commercial nation in the world as well as our own, and do not blush to send missionaries to The Hague to recommend a universal peace, without any of them saying or being expected to say a word about the unholy war we are waging with increasing fury against every nation that is represented there.

## XV

THERE is one other objection to the tariff upon imports which has not figured in the various tariff debates in

Congress or elsewhere, that I have observed, since the administration of President Jackson. I refer to its unconstitutionality.

There is no authority in our federal Constitution for levying any impost of any kind upon foreign commerce. The Eighth Section of the First Article of that instrument, the one which relates expressly to the subject of revenues, says:

The Congress shall have the power to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defence and general welfare of the United States, but all duties, imposts, and excises shall be uniform throughout the United States.

The word "tariff" was manifestly excluded, for the Third Section of the same article alone deals with foreign commerce. It confers the power to *regulate* commerce with foreign nations, and among the several States, and with the Indian tribes. The power in the First Article to lay and collect taxes, duties, imposts, and excises clearly does not apply to the regulation of commerce with foreign nations, for the simple reason that that is provided for in another and distinct article. To regulate commerce means to provide for its orderly protection and cultivation and encouragement. It cannot be tortured into meaning that Congress shall have power to obstruct, embarrass, harass, and still less prohibit it; and an unqualified right to tax is a right to prohibit, and has been practically exercised in some cases. Certainly the framers of our Constitution never could have intended by the words "regulating commerce" to confer the possibility of destroying it. Besides, the Constitution pro-



vides that "all duties, imposts, and excises shall be uniform throughout the United States." It is needless to say that any impost for the protection of any special industry is in flat contradiction to this provision.

There was no thought of a tariff among the framers of our Constitution, nor among the members of the government which it established, until the difficulties of raising the necessary revenue for the government prompted Hamilton to ask Congress to supplement the other national resources by a small tax upon imports. Hamilton was never partial to our system of popular government, and naturally his instincts did not discourage the creation of a privileged class; but even with the reluctant assistance of Washington he had great difficulty in securing the adoption of his policy by the Congress, to most of whom it was a new and by no means an attractive policy. Therefore I may say without hesitation that we have never in the last hundred years levied a toll of a single dollar upon foreign commerce without violating the Constitution of the United States.

So strong was the conviction of the planters of the Southern States that a tariff of any kind was unconstitutional that during the administration of President Jackson one of those States openly resisted the revenue officers in the discharge of their functions in the harbor of Charleston. But for the fact that the executive power was in the hands of a Southern man, a slaveholder, and withal a successful military chieftain who was too wise and patriotic to tolerate a correction of unwise legislation by revolutionary measures, the war of the planters for a separation from the Union might have been fought thirty years earlier than it finally was. And yet that

President himself was in sympathy with as strict a construction of the Constitution as South Carolina was; nor am I aware of any evidence of his believing that the imposition of a tariff upon imports was comprehended in the constitutional power to regulate commerce.

There are many other vicious results of tariffs upon foreign commerce, scarcely less reprehensible than any here referred to, such as:

Interference with the natural and equitable distribution of the nation's wealth by turning it into unnatural channels.

Discouraging enterprise and ingenuity outside of the protected industries.

Impoverishing all the professions by the greater pecuniary inducements in money-making pursuits.

Seriously degrading the standards of the public service to such an extent that it is becoming difficult to find first-class men willing to accept any public position, however exalted, and still more difficult, if found, to elect them. Our legislators, of whatever grade, are they not to an alarming extent degenerating into hired men, into proxies of constituents?

Then follows the shocking and cruel discouragement of the poor, the unlettered, the less mentally endowed tradesmen or mechanics, whose stores and shops are gradually disappearing from the rural regions of the country and their proprietors becoming enslaved as wage-earners to the department-store keepers and protected capitalists; these involving the substitution of foreign for native expert labor of all kinds, partly from the inability of our own young men to get the training of an expert which the imported expert has enjoyed.

Then follows the timidity of the officers of justice in enforcing the laws against overpowering classes of people without means or employment, with which the tariff has punished us as with whips and scorpions, until human life and property are quite as unsafe in the streets of New York as ever they were in the highways of Sicily.

What guilt is theirs who, in their greed or spite,  
Undo Thy holy work with violent hands,  
And post their squadrons, nursed in war's grim trade,  
To bar the ways for mutual succor made!

Such was the heartbreaking sigh of William Cullen Bryant, the first conspicuous man in the free-labor States to denounce tariffs upon imports, and who, in the columns of the *Evening Post* and outside of them, probably wrote more than any other person in the United States has ever written to discredit the protection policy and the international as well as civil wars it wages.

## XVI

GRAVE as are the objections to a tariff upon imports already enumerated, they are not to be compared in gravity with another to which I have only referred. Our tariff policy incarnates the spirit and nationalizes the homicidal jealousy of Cain. Who but the apostles of protection have ever officially restricted the application of the divine law of neighborly love to geographical or territorial limits?

There is no duty of such supreme importance, imposed

both by the instincts of nature and by divine revelation, as to love our neighbor as ourselves, and to do unto others as we would have others do unto us. In the eyes of our Father in heaven a Chinese or an Abyssinian is as much our neighbor as the offspring of our own earthly parents. If either wishes to bring us any fruits of his industry calculated to satisfy our needs, it is not fraternal kindness but brutal selfishness to obstruct him or subject him to any expense whatever for, I will not say the privilege, but the favor, he is doing us. In such obstruction it is Cain's fruits of the earth, not Abel's fat of his flocks, we are getting. Such gifts will not be acceptable to the Lord, whatever man in his degeneracy may think of them.

Though there are many forms of religious faith some or all of whose professors act upon the same predatory principle as that which barbarizes our revenue system, I am unable to name one, whether indited by saint or savage, which has ever formally recognized it in its credo.

"Am I a God at hand, saith the Lord, and not a God afar off?"

I read not without astonishment, in a recent article signed by the contributing editor of the *Outlook*, the following extraordinary statement: "The tariff ought to be a material, not a moral, issue." As these attributes are here put in opposition to each other, are we to understand that what is material is not moral and that what is moral is not material? And what of the Decalogue or the Lord's Prayer? Are they moral and immaterial, or are they material and immoral? I doubt if this sentence could have passed under the eyes of the senior editor of

the *Outlook*. Though he might have left unchallenged the obscurity of the statement, and although he is himself reputed by some of his profession rather latitudinarian in his theology, yet I am sure he would never authorize any one to say in his name that raiding a nation is a less heinous offence than robbing a hen-roost. It is not conceivable that the successor to the pulpit made famous throughout the world by Henry Ward Beecher would prey more readily upon a brother sojourner in Paris or Berlin than he would upon a brother sojourner in New Jersey or Connecticut. He who can see no moral issue in the tariff must himself be morally blinder than was Bartimeus of old, for he knew at least that he was blind, and he did the very best he could have done to be enabled to see, instead of dogmatizing about whether he knew enough to know that he was too blind to see.

The excuse which the more rational apologists of protection advance is that, while other commercial nations protect their industries by tariffs, we must protect ours in the like manner, or the market for our own labor will be destroyed by the cheaper labor of theirs. The sophistry of this argument has been so frequently exposed, and indeed seems now so preposterous when the enormous amounts of our own exports are considered, and protection for the sake of protection is the panoply of the commerce militant, that as an economical proposition it is no longer worthy of consideration. But as a vindictive and retaliatory policy there is need of more light among the people of all nations, and especially among those professing to be Christians. The best of them not infrequently quiet a recalcitrant conscience by quoting the following among the instructions given by Moses to the

children of Israel for their conduct in the Promised Land: "And if harm is done them, thou shalt give soul for soul, eye for eye, tooth for tooth, hand for hand, foot for foot, burning for burning, wound for wound, blow for blow" (Exodus xxi. 23-25).

How grievously the genuine spiritual significance of these instructions is perverted when construed to justify the Christian's retaliation against a wrong done to him is admirably exposed in the following extract from the "Arcana Coelestia" of Swedenborg. He is commenting upon chapter xiv of Exodus, that gives the account of Pharaoh and his army, chariots and horsemen, being swallowed up in the Red Sea (to which Swedenborg gives the Hebrew name of Suph) after the Israelites had crossed on the dry land, and, speaking of the words, "Stretch out thy hand over the sea and let the waters return upon the Egyptians," he says:

This signifies that the falsities from evil of the Egyptians would flow back to and environ those who are in falsities from evil; that the evil which is intended to others returns upon themselves, and that this arises from the divine order, "Do not to another save only what thou wouldst others should do to thee" (Matthew vii. 12). From this law, which in the spiritual world is constant and perpetual, the laws of retaliation delivered in the representative church derived their origin, namely, the following:

"If a man hath caused a blemish in his neighbor; as he hath done, so shall it be done to him; fracture for fracture, eye for eye, tooth for tooth: as he hath caused a blemish in a man, so shall it be caused in him" (Leviticus xxiv. 19, 20).

From these passages it is clearly evident that these

laws originate from that universal law which in the spiritual world is constant and perpetual, namely, that thou art not to do to others except as thou wouldst that others should do to thee. Thus it is clear how it is to be understood that the falsities from evil which are intended to be inflicted on others flow back or return upon the persons themselves. . . .

It frequently happens in the other life that when evil spirits wish to inflict evil on the good, they are grievously punished, and that the evil which they intend to others returns upon themselves. At the time this appears as if it were revenge sought by the good; but it is not revenge, neither is it from the good, but from the evil, to whom an opportunity is then given from the law of order. Nay, the good do not wish evil to them, but still they cannot take away the evil of punishment, because they are then kept in the intention of good—just like a judge when he sees a malefactor being punished, or like a father when he sees his son punished by his master. The evil who punish do it from the cupidity of doing evil; but the good from the affection of doing good. From all this it can be seen what is meant by the Lord's words concerning love for an enemy, in *Matthew*, as above; and concerning the law of retaliation, which was not abrogated by the Lord, but explained; namely, that they who are in heavenly love ought not to have delight in retaliation or revenge, but in imparting benefits; and that the very law of order, which protects what is good, performs it from itself, through the evil ones.

In brief, therefore, it appears, upon this ample authority, that the wrongs we do to others in this world we expiate in a future life by suffering the same from our companions there. Retaliation is not the function of good men, and the punishment of evil in the future world

as well as often in the present life is administered by spirits obsessed with corresponding evils. Such a prospect makes but a bad show for Payne, Aldrich, and Lodge, and should they ever in the future come to need a cup of cold water, leaves a painful doubt whether they will find the signer of their revised tariff reposing in Abraham's bosom.

Some twenty-five years ago the late Henry Ward Beecher delivered before a free trade club in New York an address which I was fortunate enough to hear. The late Professor Sumner of Yale University, who was also one of the orators of the occasion, said of that speech that it was in his judgment the best address Mr. Beecher ever delivered. He left the economic aspects of the tariff question to the other speakers and devoted himself exclusively to its moral aspects. I give here his conclusion:

But while others will to-night talk with you about figures, and tell you what are the results of protection upon the business of the country, I plead for the principle of liberty. There have always been plenty of people in this free country to doubt the expediency of freedom. Liberty of conscience was thought dangerous, but our forefathers fought battles for that, and gained it for us. Liberty for the slave was thought to be full of peril, and predictions abounded on every side that emancipation would bring ruin and bloodshed upon the country. But we liberated the slaves, and it has been found by the South itself that liberty was better than slavery, and that the South has prospered under liberty as it never did prosper or could have prospered before. The Republican party has hitherto stood for liberty, and therefore I have stood with it. But now I take my stand on liberty of commerce, as



just as essential and just as sound as liberty of conscience, liberty of speech, liberty of the press, and liberty of the person. I believe that liberty is just as safe and just as necessary in commerce as in anything else, and I look upon this battle for freedom of commerce as only one part of the great battle for freedom which we have been fighting for many years.

*I reject the doctrine of "protection," as opposed not only to the principles of liberty but to the essential principles of Christianity. I regard it as in its very essence anti-Christian and immoral. And the fact that such theories as have been advanced by the high protectionists have found so much favor in this country is not creditable to its Christian character. The fundamental doctrine of Christianity is that all men are brethren. The fundamental doctrine of protectionism is that all men are NOT brethren. Christianity teaches that all men, in all parts of the world, should love each other. Protectionism teaches that all men on one side of an imaginary line should hate, or at least disregard, all who live on the other side of that line. Not only so, but protectionism teaches Christians to hate their fellow-Christians MORE than they do pagans. We do not build up our tariff against heathen countries. Our Congressmen are not specially concerned to keep out the products of Africa. It is against Christian countries that all the energy of protectionism is directed. And England, the country which is most like our own in matters of religion, being all Christian and mainly Protestant, is the very country which our protectionist Protestant Christians in America hate the most and strive to injure the most. We send missionaries abroad to convert pagans into Christians and teach them the arts of civilized life. And then, the moment the missionaries have, with infinite pains, taught the converted pagan to make*

*anything fit to send to this market, we hasten to build up a high tariff wall to keep it out. Our country was a large exporter of religion, sent millions of dollars to heathen countries to instil the principles of Christianity into the minds of unbelievers while the article went a-begging at home.*

A more condign indictment of our revenue system, a more just impeachment of it as the policy of any body politic claiming the right to be regarded as a Christian nation, was probably never before uttered in so few words. Yet, strangely enough, I have heard of but one other American clergyman from whose lips this sin has been denounced as "a reproach to any people." I would not mean to intimate that all the clergy are protectionists or that no one of them has denounced the protective system as vigorously as Mr. Beecher did; but I never heard of any other American clergyman but Mr. Birckhead of St. George's Church in New York doing it, nor did I ever hear of any of the apostles of the selfish principles of protection being disciplined by any ecclesiastical organization whatever.

It is a melancholy fact that our "hireling clergy," as the Society of Friends are wont to call the salaried Protestant ministers of the Gospel, are so dependent for their daily bread upon the rich beneficiaries of the tariff that their mouths are as effectually closed to the iniquity in which it originates and to the depravity which it generates as the ears of the Syrian Pharisees were closed to the spiritual ethics of the Sermon on the Mount.

With what emotion can any pastor who has deliberately winked at this national iniquity read these words

of the prophet Isaiah, which are addressed as directly to professing Christians to-day as ever to the children of Israel:

Hear the word of the Lord, ye rulers of Sodom. . . . To what purpose is the multitude of your sacrifices unto me? saith the Lord. . . . Bring no more vain oblations; incense is an abomination unto me. . . . I cannot away with iniquity and the solemn meeting. Your new moons and your appointed feasts my soul hateth: they are a trouble unto me; I am weary to bear them. *And when ye spread forth your hands, I will hide mine eyes from you; yea, when ye make many prayers, I will not hear: your hands are full of blood. . . . How is the faithful city become an harlot! she that was full of judgment! righteousness lodged in her, but now murderers. Thy silver is become dross, thy wine mixed with water. Thy princes are rebellious, and the companions of thieves; every one loveth gifts, and followeth after rewards: they judge not the fatherless, neither doth the cause of the widow come unto them.*

## XVII

I HAVE thus given what I conceive to be pretty conclusive reasons against building temples of peace with untempered mortar; against the concoction of peace organizations with the left hand while deliberately and persistently waging a flagrant tariff war against every commercial nation, not excepting our own, by striving simultaneously to support our government by duties levied upon foreign merchandise which we are persistently striving to exclude from our markets.

I will now invite the reader's attention to a substitute

for this suicidal revenue system which, if in operation, would within a single generation render custom-houses in this country as *démodé* and obsolete as the fashion of the plough held by Cincinnatus or the ship *Argo* in which Jason sailed to Colchis for the Golden Fleece.



## PART SECOND

### THE NECESSITY OF BUILDING TEMPLES OF PEACE WITH TEMPERED MORTAR

THE system of providing for national expenses by tariffs upon imports has been practised so long by maritime nations that it has come to be regarded as not only the best but practically the indispensable way to be considered for such purposes.

It had its origin and continues to be maintained because of the facilities it offers for concealing from the public the cost of its government, by creating the popular impression that it is the foreigner who pays the duties levied on his consignment instead of the people who purchase it. The number who know better is limited pretty much to the class whose industries are specially protected by the tariff. They may be numbered by the hundreds or perhaps thousands, while the millions imagine that it is the foreigner who pays what the tariff contributes toward the expenses of their government, and thus proportionately lightens their own burdens. This was scarcely a more gigantic delusion than the Ptolemaic theory of astronomy, for the tariff has proved itself, wherever in vogue, the most wasteful, extrava-

gant, and demoralizing system of taxation for revenue ever adopted by civilized nations.

There is no law of political economy less open to dispute than our common right to buy in the market where we can buy cheapest and to sell where we can sell to most profit. This common-law right of every seller or buyer throughout the world is violated every time a package of imported merchandise is ordered to the custom-house.

Here, of course, I may naturally be interrupted by the inquiry: "If we do not tax our imports, what easier or less objectionable substitute for the support of our government can be suggested?"

In answer to this question I venture to submit a substitute which contemplates not only the entire elimination of custom-houses from the science of architecture, but the opening of every port and harbor of the United States freely to the commerce of every nation of the world, without any tax or burden other than such only as the vessels sailing under our own flag should be subjected to; a substitute also which would not only yield ample revenue, but would give to all protected interests ample time to prepare for the change that would ensue, without seriously infringing upon any one's rights; without any serious disturbance of values except to increase them, and all so gradually as to be as little noticed in financial circles as the changes of the seasons.

The substance of what follows was written two years ago in a privately printed letter to Governor Hughes, in the hope that he might think the substitute for raising revenue here proposed to displace the tariff upon imports worthy of trial in New York. Its merits, if it has any,

could be more promptly tried in any State than in Washington, where it would have to confront the embattled phalanx of protectionism, while if successful in our own or in any other State it could fail nowhere for long, I believe.

Unhappily, the governor had as good an excuse for not trying the experiment as King David had for not building a temple at Jerusalem—"the wars that were about him on every side" in which he was engaged throughout his gubernatorial term. If his successor shall prove to be the wise man that the State requires and for whom Governor Hughes has furnished the model, he will have an opportunity of signaling his administration by giving to our State the glory of being the first organized commonwealth in the world to provide an eligible substitute for a revenue tariff, and one which will also ensure an equitable distribution of the wealth of the nations that adopt it.

## I

THE wealth of the United States consists principally, if not entirely, in its land, its water, and the sun with its atmospheres. Without either of these it would be uninhabitable. By man's aid this land, since its settlement under an organized government, has always produced a large surplus of merchantable commodities, and is capable of doubling that amount many times.

To make such surplus convertible into wealth for the inhabitants, it requires markets, and because it has a



surplus it depends, of course, more for its markets upon foreign than upon home purchasers.

Every inducement should therefore be given to the foreigner to buy of our surplus, that we may have money with which to buy of his. The greatest inducement we can offer him is to take our pay in the products of his industry, of which he may be presumed to have a surplus for which he has no longer so profitable a market at home. Of course, the more we take of his surplus the more will he be in a condition to take of ours, and thus both will prosper.

These principles, so elementary, are the basic principles of all honest commerce, and, in the long run, of the most productive commerce. The land, water, and sun with its atmospheres are the capital of the whole nation. Their productivity can only be diminished by abuse or neglect. But the surplus is the available product of the industry and frugality of the inhabitants.

In this capital and surplus the people, that is, the State, has a joint interest.

Whenever the State, therefore, parts with the exclusive usufruct of any portion of its capital to individuals or corporations, it deprives itself and its people of their respective shares of what is thus expropriated. For those shares the State, that is, the people it represents, are entitled to a compensation in some proportion to the value of what they part with, and also in a certain proportion to the value of such part to their grantees.

If a promoter of railways asks the exclusive use of a tract of land one hundred feet wide from the Atlantic to the Pacific Ocean for the construction of a transcontinental road, there is no good reason why those he repre-

sents should enjoy such exclusive privilege *without an engagement in their charter* to share with the State in the usufruct of this exclusive right of way. The proportion, of course, should be assessed at so moderate an amount, at such times and in such modes, as not to discourage enterprise, and with due recognition of the public advantage which may result directly or indirectly from such a highway, and the risks to be run by those who finance it. In other words, the share claimed by the State should never to any practical extent *increase the risk to be assumed by the incorporators*.

But as it is difficult in all cases, and impossible in very many, to estimate the earning power of any new enterprise, obviously the most equitable way of determining the State's proper share of a privilege it is asked to confer is to take it as a partner does in any commercial enterprise—nothing until a surplus is earned, and then, be it sooner or later, what would represent a due proportion of its contribution to that made by the other capitalists. In other words, more as the enterprise prospers, less or nothing while it struggles.

As a convenient illustration let me invite the reader's attention for a few minutes to the latest report of the American Telephone and Telegraph Company, commonly referred to as the "Bell system." The original corporation of this system went into operation in Boston as a business corporation on January 1, 1876, only thirty-five years ago next January. It was capitalized with 4500 shares at \$100 a share, or, say, \$450,000.

At its start it required of the State, of course, the privilege of planting its poles; of connecting them by

electrical wires on the shortest lines between the different points where its service was most likely to be in demand, with little reference to the value of the property it must overrun; real estate for all its stations and offices, which, as well as the poles and wires, the State has to guarantee the exclusive use of to the company—privileges all of no inconsiderable value.

But Bell's patent was a new device, one which no one perhaps besides the inventor and his few confidential assistants knew much about. The majority of people shook their heads at the idea of shortening the distance between New York and Washington practically to the range of the human voice.

Of course, for an enterprise which to most business men appeared so precarious, if not chimerical, the State could not have begun to claim more than a nominal share of its doubtful earnings, nor anything like what was destined to prove its real value.

The early results of the company's operations would not have discredited this timidity of the average capitalist. Eight years elapsed before the number of the company's subscribers' stations reached a trifle over 100,000. Even twenty years elapsed before their number had reached 400,000. From that time on the number increased more rapidly, so that in January, 1908, almost three years ago, the number of subscribers' stations had increased to 3,900,000, and by this time, no doubt, is considerably in excess of 4,000,000.

The dividends declared for the year 1907 by this company were \$10,943,642, besides \$3,500,000 carried to reserve and \$1,825,743 carried to surplus.

From its origin the company has been constantly ex-

tending its lines, multiplying its poles, wires, and station-houses, while its construction works alone during the last twelve years have cost over \$400,000,000, and its present authorized capital is \$500,000,000.

Of course, for every additional mile of wire, this company comes under new obligations to the State for the right of way, structural accommodations, protection, etc. By the partnership system I have suggested, the State or States which it serves would get their pay for these always increasing accommodations as the company does, by the increase of its property value, that is, by its dividends on its shares of stock, than which nothing could be more just or more simple.

It is needless to say that the trifling compensation which the founders of the Bell Company would have cheerfully engaged to pay any State for its charter would have proved no mean contribution to the State chest for at least two thirds of the company's existence, during which it has paid an annual dividend of 7 per cent., and in exchange for such compensation would probably have been spared an equal or even greater amount which it had to expend in resisting legislative and other predatory interferences with its patents and chartered rights. And yet besides the Bell there are thousands of independent telephone lines in the country, all of which, like the Bell, are annually and as rapidly as possible extending their several lines.

Now let us suppose that all charters conferring lucrative as distinguished from purely eleemosynary privileges, and which to an appreciable extent limit or extinguish any of the common-law rights of the general public, were dealt with, as I propose, by the State as one of

the silent partners of the grantees and thus entitled to share in their profits in proportion to its contribution to the joint capital, less the direct advantages to the State itself which the other shareholders may not share equally, if at all.

The number of such corporations in the whole United States increases by the hundreds of thousands annually.

Let us consider a few of the most familiar of these, beginning with the 236,000 miles of railways, whose net earnings in this fiscal year 1910 are \$926,650,000, and which have issued not less than \$300,000,000 new stock, paying on all of it an average of over 6 per cent. annual dividends. Then there are the thousands of miles of trolleys; the subways, on which the city of New York alone in September, 1909, had spent already \$54,862,944; the tunnels under rivers and the bridges over them; water-power for the thousands of milling companies and factories; the turnpikes and mill-dams; water, gas, and electrical companies for the supply of hundreds of cities, towns, and villages; building, stock-raising, and vehicle-manufacturing companies; factories for all kinds of textiles, chemicals, drugs, and alimentary articles; shoe-manufacturing companies; sewing and typewriting machine companies; gun, pistol, ammunition, and paper manufactories; ship, sailboat, and steamboat companies; bank, trust, insurance, mining, dredging, and explosives-manufacturing companies, etc.

These are, to use the rhetoric of Lord Beaconsfield, but "a flea-bite" compared with the actual number of corporations that would be fairly assessable, and with no serious opposition, for the exclusive privileges they require. Had my native State of New York, fifty or

even twenty-five years ago, attached the proposed conditions to the charters to which they would have been applicable, it is safe to say she would to-day have no taxes to levy for the legitimate purposes either of her State, county, or municipal governments. Her revenue would not come from the sweat and toil of her people, tagged with the opprobrious title and character of a tax, but would be an increment as fairly earned by her people as by the other shareholders, her partners.

For the federal government this provision would be equally applicable and ample.

Had Congress tied such a string, however short, to every farm it has sold for \$1.25 an acre—scarcely enough to pay for the stationery used in its transference—instead of giving a perfect title to it *in sæcula sæculorum*, Congress would have to build two or three *Dreadnoughts* every year, or do some other equally wasteful thing, to get rid of our surplus revenue.

We are reputed to have still some 406,055,794 acres of public lands—not counting Alaska's 300-odd million—which, by virtue of the increase of population and of market values resulting from the rapidly increasing facilities of transportation, may prove to be worth more than we have received from all we have parted with, if, instead of parting with the fee of it at a nominal price, as we have been doing, we would simply take our just proportion of its net income.

So recently as the 25th of August, 1908, the President signed a proclamation throwing open to settlement certain lands located on the southern line of the State of South Dakota, aggregating in all about 800,000 acres—virgin soil which in another generation will be checkered

with thriving cities, towns, and villages. Our government parted with it as cheerfully as if our treasury were a Pactolian river.

Why should not the nation have retained the fair share of its interest in those lands, to meet at least the inevitable expenses of the public improvements which they will forever subject us to?

Our lumber and timber industry was represented in 1905 by 19,127 establishments, with an aggregate capital of \$517,224,128, and selling manufactured products worth \$580,022,290. Had we reserved for the State the moderate share of 10 per cent. on this product, it would yield annually to the nation now something over \$58,000,000 to indemnify us at least for the expense of protecting it from depredations, fires, and sordid speculators.

## II

PRESIDENT ROOSEVELT, in a message read to the Senate February 26, 1908, speaking of the bills introduced during the then session of Congress to enable corporations to take possession in perpetuity of national forest lands for the purpose of their business where and as they please, without adequate compensation to the public, said:

Through lack of foresight we have formed the habit of granting, without compensation, extremely valuable rights, amounting to monopolies, on navigable streams and on the public domain. The re-purchase at great expense of the water rights thus carelessly given away without return has already begun in the East, and before long will be necessary in the

West also. No rights involving water-power should be granted to any corporation in perpetuity, but only for a length of time sufficient to allow them to conduct their business profitably. *A reasonable charge should of course be made for valuable rights and privileges which they obtain from the national government.* The values for which this charge is made will ultimately, through the natural growth and orderly development of our population and industries, reach enormous amounts. A fair share of the increase should be safeguarded for the benefit of the people from whose labors it springs.

If a fair share of the increase in the value of water-powers should be safeguarded for the benefit of the people from whose labor it springs, why should not the people's interest in all other franchises which it confers upon corporations be equally safeguarded? Upon what principle can any discrimination be made against the people's share of an interest in all franchises? What becomes of Article IX of our Constitution, which provides that "the enumeration in the Constitution of certain rights shall not be construed *to deny or disparage others retained by the people*"? And what becomes of the clause in the First Article of the Constitution which provides that all duties, imposts, and excises shall be uniform throughout the United States?

The disastrous results of neglecting to control the water-power of the country from the greed of private corporations have been even more explicitly stated by the recent head of the Forestry Department, Mr. Gifford Pinchot, before the National Geographic Society in Washington, January 21, 1908:



When the national government builds dams for navigation on streams, it has often disregarded the possible use, for power, of the water that flows over those dams. Engineers say that many hundred thousand horse-power are going to waste over government dams in this way. Since a fair price for power, where it is in demand, is from \$20 to \$80 per horse-power annually, it will be seen that the government has here, developed, yet lying idle, a resource capable, under the right conditions, of adding enormously to the national wealth.

If the public does not see to it that the control of water-power is kept in the hands of the public, we are certain in the near future to find ourselves in the grip of those who will be able to control, with a monopoly absolutely without parallel in the past, the daily life of our people. Let us suppose a man in a Western town, in a region without coal, rising on a cold morning, a few years hence, when invention and enterprise have brought to pass the things which we can already foresee as coming in the application of electricity. He turns on the electric light made from water-power; his breakfast is cooked on an electric stove heated by the power of the streams; his morning newspaper is printed on a press moved by electricity from the streams; he goes to his office in a trolley-car moved by electricity from the same source. The desk upon which he writes his letters, the merchandise which he sells, the crops which he raises, will have been brought to him or will be taken to market from him in a freight-car moved by electricity. His wife will run her sewing-machine or her churn, and factories will turn their shafts and wheels, by the same power. In every activity of his life that man and his family and his neighbors will have to pay toll to those who have been able to monopolize the great motive power of electricity made from water-power, if that monopoly

is allowed to become established. Never before in the history of this or any other free country has there existed the possibility of such intimate daily friction between a monopoly and the life of the average citizen.

### III

THEN there are the patents and the copyrights for books, pictures, etc.

Since the patent system of the United States was established in 1790, there had been issued prior to January 1, 1900, 650,123 patents, more by 30,000 than were issued during the same time by Great Britain, Belgium, Germany, and Austria-Hungary combined.

These patents, for which our federal government maintains a large and expensively equipped force of officers and clerks at Washington, are issued to the patentee for a trifling sum—fifteen dollars on filing a claim, twenty dollars more on issuing the patent—for which the government engages that no one shall use in any way, or copy, that patent for a certain period. It thus places the necessary force of the judicial department of the federal government under an engagement to protect that patent from violation at any and all the time of its term.

We have seen what the government lost by not retaining its fair share of interest in the Bell patents, but that is a trifle compared with what is sacrificed in failing to secure its share of the usufruct of all its other patents.

Patent improvements have displaced fully 50 per cent. of the manual labor that used to be employed in agriculture. The same may be said of the compressed-air

drill excavators for mining or submarine dredging, electric cranes, etc. The increase of horse-power made available by patents was shown by the census to have been 90 per cent. in the ten years between 1890 and 1900. That the adult operative force of the United States has been increased many times its per capita by its patented machinery, any one may easily satisfy himself by an inspection of its patent and census reports for the last two decades. Estimating the population of the United States by their productive power, it is many times the present ninety millions. Had our government taken the most trifling compensation for its service in guaranteeing and protecting its patents even for the last twenty years, the treasury would have such a surplus that it would have been constrained, but for the Panama Canal, to give it back to the States as it once did under the administration of President Jackson. In those days we had but a nominal tariff on imports, and we had so large a surplus that the Secretary of the Treasury would not be bothered with it. Now we have a 50 per cent. tariff on our most profitable self-sustaining industries and a fluctuating deficit in the treasury of from fifty to one hundred millions of dollars yawning for an increase of duties.

Our government receives one dollar and two copies of each volume copyrighted, and a corresponding compensation for other works from the press, for which it guarantees the author or publishers the exclusive right to print and publish it for a few years—fourteen, I believe. Why not take a small fee upon every copy sold after the costs of the publishers have been met, and make the copyright last as long as the author or publisher desires

to avail himself of the government's protection on those terms, or until it ceases to be reasonably productive?

We are the principal producers of gold, silver, iron, copper, coal, lead, petroleum, and many other of the minerals less known to commerce. Our products of iron ore alone in 1907 amounted to 52.7 per cent. of all the iron produced in the world.

Our minerals are mostly owned and dealt in by corporations. Unlike most European nations, our government has never, so far as I am at present advised, asserted the right of eminent domain over any of the minerals by which it is enriched, when it parted with the land in which they were cradled.

The Great Northern Railway of Minnesota, thanks to the sagacity and magnanimity of its former president, Mr. J. J. Hill, secured a tract of iron-ore deposits in the Lake Superior region of our country a few years ago, which Mr. Charles Schwab, a qualified expert, testified before the Industrial Commission to amount to 500,000,000 tons, and ought to sell at two dollars a ton; the ultimate value of which, therefore, would be the enormous sum of one thousand millions of dollars. Presuming Mr. Schwab's estimate of the amount of these deposits to be substantially correct, as the United States Steel Company took a lease of 80 per cent. of this deposit at about that price per ton, the reservation of a royalty of only five cents a ton would eventually yield the State \$25,000,000, without allowing for any increase in its market value likely to result from the inevitably increasing demand and diminishing supply. Mr. Hill is reported as saying that the ore in sight could supply 12,000,000 tons a year for fifty years.

The mineral wealth still latent in our public lands is probably of a value far exceeding all that has been taken from them.

As recently as October 29, 1908, the Geological Survey reported the grand total of mineral products of the United States for the calendar year 1907 as \$2,069,289,-196. Of this \$1,166,165,191 were non-metallic. The aggregate for the year previous, 1906, was \$1,904,000,-000. With a proportionate royalty reserved from our gold, silver, copper, iron, lead, petroleum, coal, lime, cement, borax, not to speak of numberless other mining properties, known and unknown, with which our national and colonial territory abounds, thus far only partially developed, the States would in all human probability receive from the bowels of the earth alone, not only all the wealth the inhabitants of its surface now need, but all they will ever require or be able to profit by.

The Automobile as a conveyance is scarcely as old as the present century. The first licenses issued in this State, Numbers 1 to 4, were issued April 29, 1901. Mr. Koenig, our Secretary of State, has kindly informed me that the number of registrations in his office up to August 1, 1910, was 108,399, an average of over 10,000 a year for this State alone. These vehicles are all manufactured by chartered companies. Their average price is probably about \$3000 each. At that rate the aggregate value of these vehicles would be \$325,197,000, or an average annual investment by somebody of \$32,519,700 a year. The total investment of the plants for the manufacture of the automobile is estimated already as amounting to \$400,000,000, and for the production of accessories, \$175,000,000.

One automobile proves to be more wearing to the roads it uses than twenty horse-propelled vehicles would be, irrespective of their pollution of the air by their power-generatives and the clouds of dust with which they befoul all others using the road at the same time, or living or conducting any business on either side of it. By a law enacted May 31, 1910, "the registration fee [of from \$10 to \$25, according to their power rate] imposed upon motor vehicles, other than those of manufacturers and dealers and those used solely for commercial purposes, shall be in lieu of all taxes, general or local, to which motor vehicles may be subject." Without discussing or even pretending to understand the policy of this provision, I cannot help thinking how much more simple, inexpensive, and just it would have been for the State to take simply a fair partner's share of the stock of these companies and of their dividends, in which case there would be no need of any classification or distribution of rates for the purposes indicated, and, if honestly managed, no possibility of either partner getting less or more than his proper proportion. Neither would there be an interest created tempting the companies to vary the rating of their vehicles to diminish the registration tax, except simply to meet the legitimate demands of the market.

The Citizens' Union of New York City has filed a brief with the New York Board of Estimate and Apportionment in favor of an assessment plan of financing the outlying branches of the Interborough Subway in South Brooklyn and the Bronx, distinguishing what they call a development subway, which accommodates mainly traffic supplied by residents of the section through which it

runs, from the trunk-line subway, which accommodates a traffic not supplied by residents of the section through which it runs.

How much more simple and natural for the city to take for its contribution to these subways a fair proportion of its stock! That done, the question whether the subway is a development or a trunk-line subway disappears, so far, at least, as the city and its interests are concerned. The relief to the financiers is equally notable, and no one can question or would dream of complaining of such an equitable distribution of the common financial burdens.

#### IV

ALASKA was purchased from Russia by Mr. Seward in 1867 for \$7,200,000. It has an area of from 599,000 to 600,000 square miles, more than ten times that of the State of Illinois. Its northernmost and southernmost points are as widely separated as Canada and Mexico. Its range of temperature is greater than that between Florida and Maine. One third of its immense territory is thus far but little explored. The permanent population at the present time is estimated at some 40,000 whites and 25,000 natives. Its most important product is gold, of which the output in 1908 was valued at more than \$19,000,000. Fisheries rank second, and the salmon packed in 1908 had a value in excess of \$10,000,000. The value of all the products of Alaska since its acquisition has been already more than \$350,000,000. Most of the internal improvements of Alaska have been made by the War Department. Railroads, except short lines run-

ning out to a few mining-camps, are almost utterly lacking thus far, the total railway mileage not exceeding 350. Alaska has 4000 miles of navigable rivers, without which most of the present development would have been impossible. These navigable rivers are equivalent to a little more than twenty-six rivers as long as the "majestic Hudson."

During the last session of Congress Senator Beveridge of Indiana is reported to have said:

"I am convinced the *coal* in the Bering River and Cook districts alone will aggregate in value \$2,000,000,000. If it cost \$1,400,000,000 to develop the two districts, there would remain a profit of \$600,000,000. Geological surveys," he added, "show more than 15,000,000,000 tons of coal in Alaska."

If the government of the United States had been wise enough or even if it were now wise enough to take a partnership interest in any of the Alaskan Territory improvements and reserve to itself an interest in the proportion which its contribution bears to the contribution of the corporations that undertake its development, the government receipts from Alaska alone would in a very few years unquestionably pay no inconsiderable portion of the legitimate current expenses of the federal government, while giving to the other corporators all the profits they would be fairly entitled to.

The Bering River and Cook districts coal-mines in Alaska constitute the property of the now famous Cunningham claims, upon which it is reported that Mr. Daniel Guggenheim, J. P. Morgan, and their associates have an option for a comparatively inconsiderable sum of money, and which have led to an inglorious contro-



versy between a member of President Taft's Cabinet and the head of his Forestry Department.

Mr. Guggenheim has said logically enough through the public prints that "the government should either undertake the development of these coal lands or leave it to the organized enterprise of private capital through corporate agencies" to do it.

What a simple, just, and perfectly satisfactory solution of this unhappy and, for the government, inglorious controversy it would have been from the first, and it is to be hoped may be still, to have the ascertainable value of these mines appraised, at their mouth or at their most available markets, and, upon the bases of these valuations, to divide the stock between the government and the operating corporation!

In that case, whether the mines turn out more or less valuable, each of the partners would get his share with the least possible risk from rattlesnakes to either.

Mr. Pinchot could be gracefully and gratefully restored to his position at the head of the Forestry Department, where obviously he is still greatly needed.

The government would need to incur no expense for the development of the Territory, and yet be sure of getting its fair share of its product.

Private capital in the greatest abundance would be only too happy to accept all the risk of developing it.

The present dog-in-the-manger policy of the government, which cannot continue long without leading to shameless and inordinate corruption from the effects of which neither the executive nor the legislative departments can expect to remain immune, would be brought to a wise and patriotic termination.

Senator Beveridge's estimates of the coal property, as I have already stated, represent an aggregate value of \$2,000,000,000, and the cost of developing it, \$1,400,000,000. At that rate Guggenheim & Co. would contribute as their portion of the capital \$14 to every \$20 given by the federal government. The profit when realized according to Senator Beveridge's estimate would be the difference between \$1,400,000,000 and \$2,000,000,000, that is, \$600,000,000. Divided into \$100 shares, that would yield to the corporation about two and a half millions of shares, and about three and a half millions of shares to the federal government.

In view of the expenses which the corporation would have to incur in providing transportation to market, and the competition with electrical power and heat with which coal will have to contend, neither the sums nor the proportions here given seem to be improvident on the part of the government, nor illiberal toward any corporation which would undertake the development of those coal-mines.

The reader may be surprised to know how largely the proposed substitute for the tariff has been in principle adopted already in the city of New York. President W. G. McAdoo, who is the originator of the Hudson River subfluvial railway system, in reply to a note of mine, says:

You are quite correct in assuming that the city has in effect a partnership interest in the tunnels; that is to say, it is paid a definite sum per linear foot of track, etc., and in addition a percentage on gross earnings. A definite sum for gross earnings has been fixed, upon which the percentage applies, but there is a provision

for a readjustment of these rentals at recurring periods.

The lines of railway belonging to the Hudson River Tunnel System, under the presidency of Mr. McAdoo, are capitalized in stock and bonds to the amount of \$109,500,000 of property, practically created within three or four years, and in which the State is a partner and stockholder.

In this system [Mr. McAdoo continues], you will observe, upon reading the charter, "the lines under Ninth Street between Sixth and Fourth Avenues, and under Sixth Avenue and Forty-second Street, between Ninth Street and Sixth Avenue and Forty-second Street and Lexington Avenue, may be acquired by the city at the end of twenty-five years, upon a valuation to be made, such valuation to be in no case in excess of the cost of construction. It is also provided that cost shall be definitely determined by the submission of vouchers, etc., upon completion of these lines, and by submission of the facts to the city's representatives, so that there may be no controversy hereafter on this point."

This reversion of the property to the city is probably in deference to the example of France in holding a partnership relation to her own system of railways subject to a reversion to the state at the end of a hundred years. The plan I have proposed and prefer, contemplates no reversion of that kind, nor is such reversion to be recommended.

An illustration of this quasi-partnership system may now be seen in Chicago, where, I am assured, a gas or a

- city railway corporation—I have forgotten which—is required to pay to the city of Chicago 54 per cent. of its net earnings, and yet pays to its stockholders an annual dividend of 8 per cent.

## V

BUT the most conspicuous and most encouraging evidences of the trend of public opinion toward the more enlightened principle of taxation which is here proposed may be found in the evolution of the rapid transit legislation for the city of New York. The basic law on this subject was for many years an act passed in 1891 which created a Board of Rapid Transit Railroad Commissioners. After many, almost annual amendments and gubernatorial vetoes the plan finally perfected was based on the principle that, in all future franchises or operating contracts under the perfected law, the city of New York "will have the right to terminate the grant or contract at any time after ten years and to take over whatever the company may have provided in the way of road or equipment, upon paying an amount to be provided for in the contract, which shall not exceed the investment made by the company plus 15 per cent., and which amount shall decrease from year to year as the grant continues, until finally all the property in the street shall revert to the city free and clear without payment, upon some date fixed in the grant."

This, said Mr. Milo R. Maltbie, one of the Public Service Commissioners, in a recent communication to the public, he "believes, judging from the experience of other countries and States, will adequately protect what-

ever investment may be made by private companies and will furnish sufficient inducement to attract such private capital as may be needed. . . . This principle, for which the Public Service Commission stands, means that the city shall always and continuously be in a position to control transit development."

The second important principle of the new law [Mr. Maltbie goes on to say] is the sharing of profits above a certain fixed minimum between the operating company and the city. Under the old law, an operator might make 6, 8, 10, 15, or 20 per cent. profit, and the city would receive no more in the last than in the first case. It was also true that if the rental was too small there was no way by which the city would receive a share of the unexpected profits. Yet it is practically impossible to determine in advance what the profits will be and to fix a rental which will be adequate from the viewpoint of the city and still fair to the operating company. Further, it is usually true that the profits vary from year to year and are normally much larger during the later years than at the beginning.

Attempting to meet these various conditions and difficulties, the Commission worked out a profit-sharing plan. It provides that there will be deducted from income all operating expenses, taxes, payments to reserve and amortization funds, and a return upon the investment not to exceed in any case 6 per cent. The remainder is to be divided equally between the company and the city. . . .

The theory upon which this plan is based is that the city, by permitting a company to lease its property or to use its streets, *has become a partner in the enterprise and that as such it ought to have a share of the profits* above a fair return to capital. Further, *when the city and the company are partners and share*

*profits, each is more likely to consider the rights and interests of the other.*

This is unquestionably a substantial and encouraging improvement upon any legislation affecting public utilities which preceded it; but and because it is so much of an improvement, why not go further in the same sensible direction? Why not make a partnership between the State and the operating company *a legal and practical fact*? By so doing, the difficulties which have embarrassed all the rapid transit policies of the city for the past half-century would disappear. There would be no debt contracted by the city, and therefore no trespass upon the constitutional limitations of municipal indebtedness. There would be no difficulty, as experience has proved, about finding financiers ready to provide the money for the work when they knew that they were to have no other but simply the lawful partnership limitations upon their enterprise.

Mr. Maltbie tells us:

It has been customary to turn over to the general city treasury all receipts from public utilities. As a result, the users of such services as water, gas, electricity, and transportation have paid an indirect tax, a sort of tax upon consumption. The Commission considered this improper and unjust; that rapid transit should be furnished at cost as nearly as possible, and that all receipts from the travelling public over and above cost should be used to improve, extend, or multiply transportation facilities.

Under a genuine system of partnership between the State and the corporation, the travelling public should of

course be entitled to receive a deduction from their other taxes, proportioned to the revenue which the State shall be receiving from the rapid transit facilities. There would then be no occasion to make any such distinction between the use to be made of the revenues of the State and those of the incorporators.

Mr. Maltbie says:

Yet it is practically impossible to determine in advance what the profits will be and to fix a rental which will be adequate from the viewpoint of the city and still fair to the operating company.

Not a particle more difficult, Mr. Maltbie, on the partnership principle than it is to determine to a penny the exact dividends due to every stockholder in Mr. McAdoo's tunnels, or for J. P. Morgan & Co. to divide the proportions of their earnings due to their several partners. And how much less complicated, more inexpensive and inexorably just the system of partnership I have proposed!

In 1909 the Laclede Gas Light Company paid the city of St. Louis \$273,253 in taxes, of which \$188,700 represented the franchise tax, and \$14,487 for a merchant's and manufacturer's license, or a total tax amount of \$287,740. The tax paid into the city treasury represents approximately 7 per cent. upon its gross earnings, which for 1909 were approximately \$3,903,615, or about 35.5 per cent. on the capital stock of \$11,000,000.

How much more simple, economical, and fair it would be if the State had taken a partnership interest in the company, with no trouble about franchise taxes, merchants' and manufacturers' licenses, with all the clerical

work and political engineering they involved, but simply receiving from the company its dividend, like the other stockholders!

Mr. Homer T. Bickel, in a letter to the *Kansas City Star* quoted in the *Wall Street Journal*, wrote:

In more than a thousand cities of Germany and Austria not a cent of taxes is levied. The revenues are raised from those utilities which we in America give over to a few to make the money out of and to buy up our politicians with a part of the proceeds. This does not mean that the taxpayers get all the benefits. They don't. The service is rendered in most places at the lowest cost that will make the city safe in its investment. The average street railway fare on these municipal street railway lines of Germany is about two cents. The service is better on the cheap municipal lines than on the few which are still in the hands of private companies. . . .

Berlin owns 39,000 acres of land within and around its own limits. Frankfort owns 12,000 acres. The cities will sell this land to any one or any syndicate that will buy subject to the city's regulations as to building, open spaces, sanitation, etc. The result is that the working people have cheap and wholesome and attractive places in which to live.

The full partnership plan is simplicity itself. It disposes entirely of all the questions still embarrassing the city about private or municipal ownership of its rapid transit franchises.

It disposes also and finally of a burning question yet to be settled about raising funds for the work by the assessment of its cost, in part or in whole, *upon the property benefited*. The stockholders will get their fair share



of profit from their increase of business, which is the most reliable evidence of its benefit to the property and the fairest division of its earnings.

It would dispose also of any conflict between municipal rights and the stockholders' rights over lines, the State by its charter and the common law having the power to enforce all its rights; and more power than that is only a temptation to abuse it.

Upon the proposed partnership system there is no occasion for any increase of the city's power to contract debt, nor for further delay in providing the city with abundant rapid transit facilities, for there is abundance of capital ready to furnish them faster even than they will be required and without adding a farthing to the debt of the city.

Finally, and perhaps of more serious importance than any of the considerations yet named, it will give a new and already much-needed security for the constitutional sovereignty of the several States, which cannot much longer maintain its unequal contest with the disintegrating influences of a tariff upon imports. Even Mr. Root, the Secretary of State of the last administration, in one of his published speeches did not hesitate to avow that State Sovereignty was no longer compatible with Federal Unity, and so it will surely prove, for State Rights and a tariff upon imports are perfectly incompatible, and one or the other must succumb. By a substitution of partnership relations between the people, represented by their governments, and the corporations, the sovereign States will have no claims to make, nor will they be confronted by any problems which the proposed substitute will not harmoniously and automatically solve. The

railroads, the telegraphs, the telephones, and all the other present or future transcontinental utilities, will cheerfully give from thenceforth to each State its proportional share of interest in those utilities, and each State will, in its turn, welcome them with alacrity as new bonds of union, as a new security for their sovereignty, and as a much-needed guaranty against corrupt and meddling legislation, under which for the last three or more years the industrial interests of our country have been steadily collapsing. It would, besides, constitute a new guaranty of peace and harmony between the States, in contradistinction to the tariff, which is the most dangerous centrifugal force, since the abolition of slavery, with which our government has had to contend, a truth for which any one may find abundant confirmation in the columns of any daily newspaper.

## VI

AMONG my readers there may be some, perhaps many, who may object:

1. That all the industrial sources of income to which I have referred are vested interests now, and their product, however large, cannot be diverted from the course given them by their charters.

2. That the owners of protected property have bought it in the market as investment with no responsibility or perhaps without any intelligent comprehension of the legislation which has given it its real or fictitious value; very many, perhaps most, may have bought it at its highest market prices, relying upon its value being permanently sustained by the government, under the

auspices of which it was created. With what heart, then, can we think of such a change of our revenue system as would strike such a severe, sometimes such a fatal blow at the property of so many thousands of innocent sufferers?

To the first objection my reply is that the more railroads we have the more need we have for more; the more submarine tunnels we have the more sure are we to need and build more; the more electric power is used the more as yet unsuspected fields will be disclosed for the extension of its use; the more water-power we impound the more will we find worth impounding. In fact, every conquest which science or experience achieves over the hidden resources of nature is the parent of a scarcely less numerous progeny than was promised to Abraham, Isaac, and Jacob. Science has as yet got only a suspicion of the inexhaustible electrical forces in store for our use. Every day new ones are discovered and harnessed to the cars of productive industry. Consider the few years, I might almost say the few months, since electricity began to light our streets, houses, and public buildings; since it furnished the power to propel our carriages, railway cars, and ocean steamers, to do most of the work formerly required of the seaman; since its use in architecture, which makes the construction of the pyramid a mystery of our former ignorance, but no longer a mystery of science.

I cannot learn of any street or interurban railway operated by electricity in all the United States twenty years ago. Now as a force it is displacing steam almost as rapidly as the sun displaces a September fog.

Within ten years the number of cars used on so-called

street-car lines in New York City has increased to nearly double the total number of passenger, baggage, and mail cars used on all the steam railways of the United States.

The capital stock of the street systems already exceeds two thousand millions of dollars, or more than double the capital of all the street and suburban lines ten years ago.

A year or two ago I applied to the Secretary of State at Albany for a list of the corporations chartered in the State of New York during the preceding ten years. He replied that if I would send a man to copy them he would cheerfully give him the opportunity, but that with his office force he could not send me such a list in less than four months.

During December, 1909, there were incorporated with the Secretary of State at Albany 715 stock companies, whose aggregate capital stock was \$36,216,000, as compared with 618 companies chartered in November, with a total capital of \$37,130,000.

The American Manufacturers' Association at a recent meeting called attention to the doubling of the number of cotton spindles in the East and similar increases of other manufactures that may be fairly estimated at \$15,000,000,000—a rate of increase from 1900 to 1910 of 50 per cent. of the capitalization of the census of 1900.

The automobile is an invention but of yesterday, yet, as already stated, represents a manufacturing capital of over \$400,000,000.

Even in Canada during the past fiscal year the charters issued by the Dominion government totalled a capitalization of over \$112,000,000.

Below are given the number in the United States of manufacturing establishments alone, their total capitalization, and the rate of their increase in capitalization by decades, from 1870 to 1900. They show an average decimal increase of 80.8 per cent.

	ESTABLISHMENTS	CAPITAL	PER CENT. INCREASE
1870 . . .	252,148	\$2,118,208,769	109.8
1880 . . .	253,852	2,790,272,606	31.7
1890 . . .	355,405	6,525,050,759	133.8
1900 . . .	512,276	9,831,486,500	50.7

"The actual command over capital, whereby the basis of manufacturing credit was enormously improved, will stand out as one of the greatest features of the first decade of the new century. *Manufacturing has become identified with new resources which were hardly touched when the last century closed.*" And let it be remembered that every new invention or new application of power begets swarms of applications for new capital, and that means new incorporations.

## VII

Now as to the second objection, the condition in which the substitute would leave the innocent holder of stocks or other property, tariff-bloated, as it usually is, to a fictitious value. The operation of the substitute proposed would be so gradual as to allow protected interests ample time to prepare for the change that would ensue, and to transfer their investments if they chose, for the substitute could be expected only gradually to supply the

place of the revenue from imports. Congress could, if it chose, provide for a reduction of its tariff only so far and so fast as the corporations yielded an equivalent of revenue, except in cases where the present tariff shall be confessed to be oppressive and unprofitable. In this way the change may be made as rapidly as the people wish, without any serious infringement on anybody's rights or any serious disturbance of values, except, as I confidently think, to improve them. The conversion would be effected so gradually as to be scarcely more noticed in financial circles than the changes of vegetation. It is indeed the special merit of the proposed substitute that it provides for the innocent investors a comparatively innocuous deliverance.

So much for the only objections to the substitute which have occurred to me. Now a few words further about such of its advantages as have not been adverted to.

1. The proposed substitute secures to the State a fair, and only a fair, proportion of the property it helps to create, instead of allowing that share to go to people who, while being enriched themselves, give neither to the State nor to the unprotected majority any corresponding equivalent.

2. It diminishes the temptations for some to seek and others to confer these privileges either by illegitimate methods or because of corrupt inducements.

3. It would inspire the public with an unwonted confidence in the administration of its public affairs and a corresponding respect for their administrators. For the whole power of government lies in the respect and confidence of the people for and in their rulers.

4. It will give the people the friendly interest of co-partners in the prosperity of their industrial corporations, for the more they prosper the more they lighten the public burdens. As a logical consequence, it would diminish, and tend finally to put an end to, the expensive litigation and the corrupt or factious opposition with which all prosperous, protected industrial corporations have to contend. Such hostility renders such properties precarious, and devotes no inconsiderable proportion of their earnings to the costs of self-defence.

5. The spirit which prompts such hostility contributes more to the corruption of our legislators and to the breeding of rattlesnakes than all other interests combined. There is no easier way of raising money for partisan ends, or for other and even baser purposes, than for any, however obscure, member of a legislative body to introduce a bill to reduce the rates which a corporation or class of corporations shall charge for its service. Our gas, telephone, railway, banking, insurance, and trust companies—in fact, all large corporations to which credit is of vital importance—have for years been, or supposed themselves to be, under the necessity of spending millions of dollars to prevent the initiation or the successful prosecution of such predatory schemes. Unhappily the criminality of such operations is not confined—at least it cannot be for a long time confined—to the legislative bandit who introduces such bills with no intention of pressing them longer than is necessary to bring the company to his terms. One successful menace of this kind is followed the next year by another; the following year it becomes sporadic, and the nefarious game finds its way into pretty much every legislative

body in the nation. It finally proves so profitable, and as a business so established, that the legislative bandits find it worth their while to take into their confidence the employees of the corporations on which they prey. Unfaithful or corrupted agents of these companies are induced to confederate with the corrupt legislators. They suggest the propitious time for a raid, and the hush-money is divided between them. Some disclosures of this infamous nature were the match which, only three years ago, precipitated a financial explosion in the United States that shook the whole financial world to its centre. Had the State been secure of its fair interest in these industrial corporations, or had they been required to contribute to the State their just share of what they received from it, would it have been possible for such depravity to have poisoned the consciences not only of our legislators, but of the not inconsiderable number of our heads of finance who winked at it?

## VIII

PRODIGIOUS, therefore, as would be the economy of the proposed revenue system, that would be insignificant in comparison with the advantages to be realized from it by the perfect reconciliation between labor and capital which would inevitably ensue. The wage-earner would no longer feel any of the expenses of government, for they would all be paid into the treasury out of the surplus profits of the employers; he would be able to supply himself with the products of every nation at practically



the same price as they are supplied to the nation producing them, plus the trifling cost of transportation, which would every year diminish. This system would have all the equity and fairness of the theoretical income tax, at an insignificant expense, and be absolutely free from the temptations to fraud and perjury which have hitherto proved fatal to that kind of tax in our country, and so demoralizing wherever tried. People could make contracts for work without any more of the conditions now constantly made against the contingency of labor strikes, for there would be none, nor would we hear any more about restrictions upon the hiring of men or upon the purchasing of material of every kind where and of whom we please, except to secure both on the most favorable terms possible to the two interested parties.

De Tocqueville commences the preface to his remarkable treatise on "Democracy in America" with the following avowal:

Among the novel objects which attracted my attention during my stay in the United States, nothing struck me more forcibly than the general equality of conditions. I readily discovered the prodigious influence which this primary fact exercises on the whole course of society by giving a certain direction to public opinion and a certain tenor to the laws; by imparting new maxims to the governing powers and peculiar habits to the governed. I speedily perceived that the influence of this fact extends far beyond the political character and the laws of the country and that it has no less empire over civil society than over the government; it creates opinions, engenders sentiments, suggests the ordinary practices of life, and modifies

whatever it does not produce. The more I advanced in the study of American society the more I perceived that the equality of conditions is the fundamental fact from which all others seem to be derived and the central point at which all my observations constantly terminated.

I then turned my thoughts to our own hemisphere, where I imagine that I discerned something analogous to the spectacle which the New World presented to me. I observed that the equality of conditions is daily progressing toward those extreme limits which it seemed to have reached in the United States, and that the democracy which governs the American communities appears to be rapidly rising into power in Europe. I hence conceived the idea of the book which is now before the reader.

These observations were made in 1831, almost eighty years ago.

If De Tocqueville were permitted to revisit us, what would he find to-day? How different a report he would have to make! He would find our ninety millions of people divided by demoralizing legislation into two great classes, the less numerous—the plutocratic class—rolling in wealth and discrediting the country by its Babylonian extravagance; while he would find the more numerous—the proletariat or wage-earners, constituting from ten to fifteen times the larger class—struggling as best they can with a constantly increasing cost of the means of living, and annually making larger and larger contributions to a class reduced to the alternatives of starvation, crime, or suicide.

## IX

THE process I have here ventured to suggest for the provision of the public revenue is simplicity itself. Every corporation of any account keeps books showing in sufficient detail its receipts and its expenses. In most cases these reports are printed annually or quarterly, if not oftener, for their stockholders. Their charters should require such reports of all in any case. The State as a stockholder would then receive them, of course. Every chartered corporation can and should have its accounts and operations subject to inspection at all reasonable times by its stockholders. The State should, besides, have its official inspectors to be satisfied about the correctness of the returns and management, as the federal government has for the army, navy, consulates, custom-houses, etc. This surveillance would be as profitable for the corporation as for the State shareholder, on the principle that the best manure for the farm is the master's footsteps.

The Secretary of the Treasury would be the proper person to be not only invested with the authority, but required imperatively to reduce the tariff upon imports as fast as a corresponding revenue is received from the substitute. This reduction might perhaps wisely begin with raw materials as most contributory to the relief of established industries and giving most impulse to new ones. Such a power, substantially, has long been enjoyed by the Minister of Finance in France—by the Home Secretary in England, I believe—and always with satisfactory results.

Under such a revenue system it is inconceivable that the cost of collecting our federal, State, county, and municipal taxes should be more than a negligible fraction of what their collection costs under our present vexatious system. It would be as different in cost, labor, and other desirable results as to the farmer seasonable rains differ in expense from irrigation by an elaborate system of pumps and pipes. It would be, about as nearly as anything of human device can be, automatic.

With such a reform, and the grace of God, the greater part of the rotten and corrupting share of executive patronage, which is now the most serious reproach to popular sovereignty, would follow the divine right of kings into the shades of oblivion.

The processes required to put this substitute into operation are in familiar use by every nation, while the number of such processes with which it would happily dispense, in the judgment of experienced statesmen, would prove to be far from the least of its merits.

The first impression the unbiassed reader is likely to receive from the proposed method of dispensing with the tariff is that it might cause a convulsive disturbance of invested capital. He could hardly make a greater mistake. It would not disturb invested capital as much as the substitution of the iron rail in place of the gravelled road for transportation; as much as the steam power for traction to do the work of horses, oxen, mules, and dogs; nor as much as electricity as a power instead of steam, and as a heat and light instead of coal-gas; nor as the telephone, which has so largely supplemented the telegraphic service. And yet all these evolutions have occurred without the least financial commotion, but with

demonstrations of welcome, and all within times that are still fresh in my memory. So this substitution could be put into operation, like the first Hebrew temple, "without the noise of hammer or of ax," and in less than fifty years war by or with the United States would become as obsolete and unthinkable as a serious proposition from the Secretary of War to arm our soldiers with tomahawks.

Let us then combine to lay the foundations of an enduring peace by exterminating our tariff upon imports and its nests of rattlesnakes, the custom-houses; and let us unite in prayer for "peace not as man giveth," but a peace which shall make the whole civilized world exclaim, in the words of the royal Psalmist:

Mercy and truth are met together;  
Righteousness and peace have kissed each other.'

*ex. M.P*  
*11/18/86*











